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■ The 16th annual political book award

The Washington Monthly

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■ HOW GOVERNMENT MADE HOUSES UNAFFORDABLE FOR THE YOUNG

■ HOW POLITICIANS WIGGLE OUT OF TROUBLE

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LETTERS

Passing on privilege

To add credence to Daniel Benjamin's argument that Assistant Attorney General Ted Olson and his associates were obsessed with stirring up an executive privilege confrontation ["Mutually Assured Corruption: The Justice Department and Anne Burford's EPA," January], allow me to shed some further light on the matter.

In June 1982, the House Subcommittee on Select Education and the House Subcommittee on Manpower and Housing held a joint oversight hearing on ACTION. One of the key issues was ACTION's administration of its VISTA program. In this program, people from all walks of life volunteer a year of time to help in the effort to alleviate poverty.

Prior to the hearing, certain ACTION documents, mostly related to VISTA, had been requested. Consequently, ACTION's legal counsel had been in touch with Ted Olson to obtain the Justice Department's advice. After the hearing, the committees submitted numerous questions in writing to ACTION and asked for additional ACTION/VISTA documents.

As the deadline for response neared, our legal counsel advised that Ted Olson thought some documents could be turned over to Congress but that in certain cases executive privilege should be invoked. The then-director of ACTION, Thomas W. Pauken, and I thought this would be a rather strange issue to fight a case of executive privilege over. Somehow neither of us could quite imagine involving President Reagan in a confrontation over executive privilege because of VISTA documents.

In late summer 1982 the ACTION/VISTA documents requested were turned over to Congress and Mr. Olson was furious. Now, thanks to your article, I know the real reason was that he would have to start all over and pursue his quest for an executive privilege case elsewhere.

It is my understanding that the next place Mr. Olson recommended invoking executive privilege was at the Department of Energy, but the secretary, Donald Hodel, wouldn't buy it either.

Having been rebuffed by Watt, Pauken, and Hodel, Olson finally got his chance at EPA. If nothing else, Mr. Olson and his colleagues have settled the issue of executive privilege for some time to come. And Congress won.

DONALD THORSON
Washington, D.C.

Mr. Thorson was director of congressional and intergovernmental affairs for ACTION from 1981 to 1985.

Nihilist chic

I've just finished reading "Missed Moorings," [Nicholas Lemann, February] and wanted to tell you how much I liked and agreed with it. In my several years in graduate school earning a Ph.D. in English and American literature, I was surrounded by folks who raved about authors like DeLillo and critics like Aldridge. Often feeling a bit of a hick, I finally began to suspect that those people (and their authors) rarely have a clue. Your argument that literary authors write for academics is, I think, entirely on target. The equally awful part is that academics seem to think that that is exactly how things ought to be, and the implications of that for education are not so good.

What astounds me is how so many clever people can be so completely out of touch with the real life of their culture. And how powerless they end up being because of their very disdain.

PAUL D. ERICKSON
Cambridge, Massachusetts

What exactly is Nicholas Lemann trying to say? He begins by distancing himself from the "much-discredited" notion that "the American novel is too negative in its view of the American life." Several thousand words later, he tells us that the majority view in American letters is that "American life is unreal and sterile for the middle class and degrading for the working class," that his view "would seem to be the enemy

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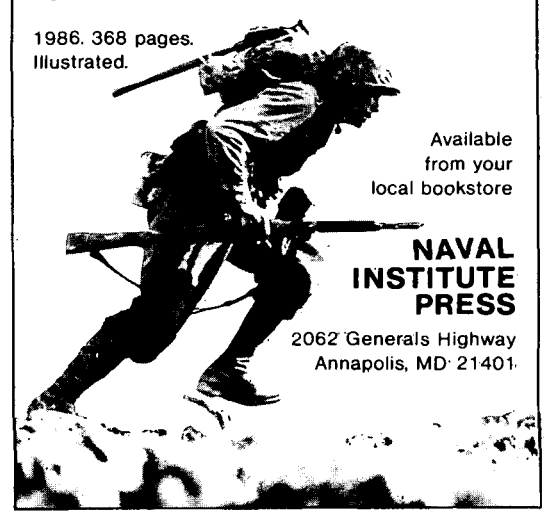

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of a writer who wants to be great," and that for writers who adhere to this view, "the deepest lesson of experience is unlearned."

Thank goodness Mr. Lemann took care to tell me at the start that he wants to "give a wide berth" to the complaint that the American novel is too negative. If not for that disclaimer, I might have concluded that an attack on negativism was the heart of his essay.

Novelists all over America will be grateful, I'm sure, for Mr. Lemann's efforts to point them in the right direction. He tells them what the "deepest lesson of experience" is; he tells them what view of the world must be rejected as "the enemy of a writer who wants to be great"; and he gives them the good news that they live in a nation where "nearly everyone feels. . .that his actions will make a difference." As if that were not enough, he lets them in on a big Truth: "the social sphere of plan, action, and consequence. . .is exactly the sphere where the national life takes place."

With that guidance, how can our novelists fail? Next year, surely, we'll have the novels that Mr. Lemann wants—novels that teach the lessons that experience "is supposed to teach." What a rich literature we will have once our novelists embrace the exciting task of writing novels that express "the best lessons that a varied life can teach," i.e., positive lessons—lessons that all of us can recognize because we know in advance what they are.

PETER BAIDA
New York, New York

Nicholas Lemann replies:

I don't think I contradicted myself at all. I'm not against negative novels. I'm against novels that portray society in a way that is flat, dull, and automatic—novels whose social vision is simply assumed, rather than set forth in a way that is imaginative and compelling. It so happens that today virtually all literary novels suffering from that malady take a negative view of American society, but it's the flatness and not the negativism that bothers me. Nobody who loves American literature would claim that work casting our society in a basically negative light (for example, much of the best of Hawthorne, Melville, Lewis, Dreiser, Dos Passos, Twain, and Thoreau) is no good. As I said in the article, the great "affirmative" American novel that critics used to long for has never been written and probably never will be. On the other hand, if the idea of novels that draw predictable conclusions about American life bothers Mr. Baida so much, is he offended every time a novel is published in which everyone is a corporate drone, the Moral Majority is about to take over, the CIA's domestic spies are everywhere, etc.?

Public TV's teeth and talons

"Prime-Time Pablum" [S.L. Harrison, January] perpetuates the "devil theory" that states public television is a captive of political and corporate forces. Difficult as it is for *realpolitik*ians to believe, it ain't necessarily so.

We could wearily explain the practices that shield us from government interference, or the way an attempt at corporate control of program content is the fastest route to a reject letter. But in this business, it's best to let the programs speak for themselves.

Tight funds have not forced public television to abdicate its public affairs responsibilities, as Stan Harrison suggests. Public affairs programs have survived despite extreme fiscal adversity. How else would it be possible for PBS to outstrip the commercial networks in the News and Documentary Emmy Awards competition for the last two years running—and by a wide margin?

Topics like brutality in South Africa, poverty in Mississippi, or toxic waste in our backyard may not appear on "Masterpiece Theatre," but they still receive sustained attention on PBS. Last September we devoted much of a week of prime-time programming to South Africa, including a three-hour special, "South Africa Under the Gun." Poverty? What about "Frontline's" "Living Below the Line" or the forthcoming "Growing Up Poor?" Toxic waste was examined in "Nuclear National Park," "Love Canal: In Our Own Backyard," and "In Our Water," to name a few programs. All these topics and many more uncomfortable ones are regularly treated on "The MacNeil/Lehrer Newshour," "Washington Week in Review," "Capitol Journal," "Tony Brown's Journal," and other regular public affairs series—many of which enjoy corporate underwriting.

The documentary, declared an extinct species on the commercial networks, survives on public television. Over the past year we've had documentaries on health care costs, Star Wars, gays, immigration policy, the sexual needs of the disabled, Central America, and the Beirut massacre. We devoted an entire evening to pro-choice and anti-abortion films. This April there'll be another evening of partisan films, this time by independent filmmakers on the Israeli/Palestinian strife.

Yes, there's room for improvement. Yes, there's much more we could do with adequate funding. But it's only fair to note the service that brings you "fin, furs, and feathers" also has teeth and talons—if you're watching.

BRUCE L. CHRISTENSEN
Washington, D.C.

Mr. Christensen is president of the Public Broadcasting Service.

Citizen doctors

I'm glad to see that another physician has finally provided a reasoned response to Charles Peters's comments (M.S. Blumenthal in "Letters" in the February issue). I, too, have felt uneasy about the way Peters tends to generalize. As Dr. Blumenthal points out, most of the CME meetings that really count take place at sites closer to Paris, Texas than to Paris, France, and not all of us drive the best cars money can buy.

Nevertheless, I've found myself siding with Peters

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on a dismaying number of occasions: as a hospital-based physician and staff officer, I've heard too many litanies to the effect that a doctor shouldn't be disciplined because "it might deprive him of his livelihood" (regardless of the salutary effect it might have on his patients) or that there aren't enough tax shelters around to salvage a $200,000 a year income, or that one of these days physicians might actually be *forced* —horror of horrors—to treat Medicare or Medicaid patients in their offices. For some physicians there never seems to be enough money or sympathy to go around: they wallow in self-pity (the same goes for a number of R.N.s, too, by the way). On the other hand, I know a fair number of colleagues whom I greatly admire for their altruism and guts; there ought to be many more of them. So Peters can keep up his diatribes, as far as I'm concerned: the medical profession needs its detractors more than it knows.

JAMES R. VASSER, M.D.
Citrus Heights, California

Marginal utilities

Deregulation of the utility industry may be a good idea, as Phillip Keisling suggests in his review of *The Power Makers* [December]. In spite of their anti-utility bias, however, even he and his mentor, Richard Munson, realize that it would be difficult to ensure that the free market alone would provide the reliability of *essential* services we have come to expect from our utilities.

They suggest "partial deregulation," but they divide up the responsibilities in a way that would either drive up the costs of utility services even further or destroy the financial viability of the utilities. For example, utilities would be responsible for "minimizing disruptions in service" by providing backup power in the event of the bankruptcy of an independent, unregulated power producer. How will the utility pay for building and maintaining the capacity held in reserve to meet this contingency, capacity that otherwise will remain idle?

A similar imbalance can be seen in the recommendations for access to transmission lines. Lines built and maintained by private utilities would in a sense become public property, like the nation's highway system. Any independent producer could use them at will, but the "responsibility for transmitting and distributing" the electricity would remain with the utilities.

In other words, utilities would lose the protected customer service base that has traditionally provided their financial stability, but they would retain responsibility for shielding customers from any negative effects that might result from this loss. The whole enterprise would become highly speculative.

WILLIAM B. REED
Birmingham, Alabama

Phillip Keisling replies:

The "partial deregulation" that Mr. Reed criticizes provides the best rebuttal to his arguments.

Partial deregulation also means the continued and substantial *regulation* of the electric utility industry in a way that provides reasonable protection for both consumers and producers. As an illustration, I believe utilities under partial deregulation should *not* be required to "prevent any disruption of service," but to "minimize disruptions." That's a subtle but crucial difference. Rather than requiring a utility to double-build its capacity to meet emergencies, regulators should use other means. For example, they could respond by instituting "time-of-day" rate structures to smooth out the peaks and valleys of normal electricity use.

Mr. Reed's point about transmission lines similarly exaggerates the effects of partial deregulation. Munson simply advocates greater access to the lines, not their free and unfettered use by anyone. State regulators should regulate access and set the rates so utilities are fairly compensated. The correct analogy isn't a free highway but a toll road.

Disease and debt

Regarding "The Other AIDS Crisis" [Steven Waldman] in your January issue, what is so "unfortunate" about AIDS patients that isn't equally "unfortunate" about patients who have amyotrophic lateral sclerosis (ALS, also known as "Lou Gehrig's disease"), muscular dystrophy, multiple sclerosis, or any one of about 40 other severely debilitating neurological diseases?

Case in point: my brother, an ALS victim, whose insurance company kissed him goodbye when he was no longer able to work. His nursing care costs my family $90,000 a year. We will not be eligible for any form of aid until my mother (who requires separate nursing care), my other brother, and I are completely impoverished. The struggle to cover my brother's expenses has already taken its toll by contributing to my father's death last year. "Fortunately," my brother does not require hospitalization; if he did, the family's resources would long since have been exhausted.

Recent intensive lobbying efforts have somewhat increased the availability of hospice and long-term care funding for elderly patients. But ALS, for example, often attacks younger people, some of whom live (helpless) for 15 to 20 years after the onset of the disease; my brother, who has been ill for nearly four years, is only 33. Justice and decency demand that if AIDS patients are to have "exceptions" made for them, the estimated 12 to 15 thousand ALS victims in this country *and* the several thousands of others who can no longer care for themselves by reason of their neurological afflictions should be similarly "excepted."

BARBARA BRUCE
Washington, D.C.

But do you have beady eyes?

"Born to Rob? Why Criminals Do It," [James Fallows, December] had me chuckling to myself to

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think I should live so long. Sixty-two years ago, when I was in high school, in our sociology class we studied the Bertillon System and the Lombroso theory of identifying criminal types. I will remember my acute embarrassment (I was 16) when "Lombroso Ears" were discussed and I—and my classmates—discovered I was a criminal type bound for heaven knows what horrible future, because I had small ears and no ear lobes!

By the time that became an "exploded theory," I was along in life, a more or less exemplary one so far as crime was concerned, and relieved that the devil hadn't gotten me. Now, I find at this age, I have to be on the alert again! Is there no rest for the suspect wicked?

ALICE S. IRWIN
Salem, Oregon

Glossies and government

Two of your recent issues seem to take a rather bizarre pleasure in sniping at women in government.

Your December issue finds it a "Tidbit" or an "Outrage" that our assistant secretary for management and administration, Martha Hesse, has an official portrait which reflects that she is quite attractive. Given the thousands of official portraits of men that make them look handsome, noble, or kindly in measures far beyond their due, I really wonder what the point is in sneering at an extremely competent government official who can also take a good picture. (Or perhaps your writer is simply envious because, like this writer, his official portrait resembles an escaped KGB agent!)

Your January issue ["Tidbits and Outrages"] then goes on to sneer at Nancy Risque's promotion from special assistant to the president to deputy assistant to the president. Beneath the official gobbledy-gook is in fact a significant promotion for a very competent person. As one White House staffer once put it, "They have special assistants filling the Coke machines over here" (40 at last count in the 1985-86 *Government Organization Manual*, and they missed a few), while deputy assistants are normally the number-two persons in significant White House functions such as legislative affairs. Again, a normal and well-deserved upward career move, which I doubt you sneered at on the numerous recent occasions when some man took that step.

DANNY J. BOGGS
Washington, D.C.

Mr. Boggs is deputy secretary of energy.

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CONTENTS

Volume Eighteen, Number Three April 1986

Tilting at Windmills
by Charles Peters
Playing taps all night...NASA's toxic waste...L.A.'s tunnel to nowhere... and other odds and ends.... 6

The Mortgaged Generation: Why the Young Can't Afford a House
by Phillip Longman
For 20 years after World War II, government made houses more affordable. Today, it makes them more expensive. 11

GAINING GROUND: POVERTY PROGRAMS THAT WORK
Hammers and Nails in Mt. Winans
by Kitry Krause
In Baltimore, welfare recipients are learning construction skills and putting them to work rebuilding their own neighborhood. 21

From Ouagadougou to Cape Canaveral: Why the Bad News Doesn't Travel Up
by Charles Peters
The boss needs to be told what he doesn't want to hear. 27

Whatever Happened to No-Fault?
by Jeffrey O'Connell and Peter Spiro
The solution to much of the liability crisis is just under our noses. 33

Let Me Say This About That....
by Alex Heard
What a congressman should do after the FBI videotapes him soliciting a 10-year-old Arab sheik in the Tidal Basin. 38

Regulations That Work
by David Bollier and Joan Claybrook
Ten rules that have made our lives better. 47

Political Booknotes
Reviews by **Sam Donaldson**, **Trudy Rubin**, and others. 57

The 16th Annual Political Book Award 60

LETTERS 1
WHO'S WHO 32
MONTHLY JOURNALISM AWARD 15
POLITICAL PUZZLE 56
TIDBITS AND OUTRAGES 55
MEMO OF THE MONTH 20

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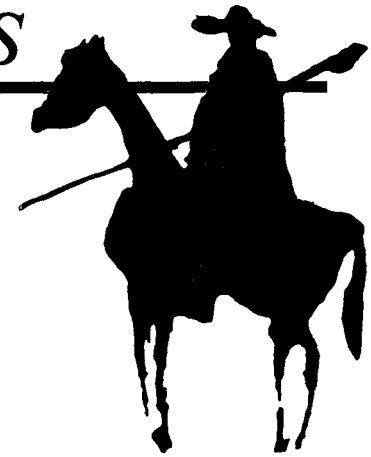
TILTING AT WINDMILLS



I don't understand why we let Marcos in but kept Duvalier out. I would be glad to provide a safe haven for ex-dictators if that will get them off the backs of their people. General Pinochet, resign today and you'll have a suite at the Plaza tomorrow. One motive for oppression is that the oppressor lives in mortal fear of his fate when the oppression stops and the people rise. Of course, I would like to see these bums punished for their crimes, but getting them out of their seats of power and restoring democracy is far more important than vengeance.

But what about the Shah, you ask. Didn't letting him in let us in for a lot of trouble? Right, but that event occurred long after his flight from Iran. In the case of Haiti and the Philippines, we were perceived as helping the people get rid of a dictator. In the case of the Shah, up until the very end of his reign we were trying to persuade him to fight to save his throne. That's why the Iranians hated us....

From time to time, a reader will confide in me that he can't work our Political Puzzle. I have a confession to make. I can't either. The puzzle is created each month by a Washington tax lawyer, and I long ago concluded that those who understand the Internal Revenue code are endowed with intellectual gifts that have eluded me....

There is a tape machine that plays taps at Arlington Cemetery. One night last month it got stuck and broadcast taps throughout the surrounding area from 11 p.m. until 5:45 a.m. A nearby resident told *The Washington Post*, "I thought it was one hell of a funeral."...

We all have heard about the escalating cost of congressional campaigns, but did you know the problem has reached down to the state legislatures?

"When I first ran for the California Assembly in 1966," writes John Vasconcellos, "a soft drink cost a quarter. So did the average vote in an assembly campaign. In 1984, a soft drink cost 50 cents. The average vote in a competitive assembly race cost almost $5."

Even scarier is the fact that

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92 percent of all California's legislative contributions come from outside the candidates' districts. There's something really crazy going on when only 8 percent of a candidate's campaign funds come from his own constituents. I was elected to the West Virginia legislature in 1960; my total campaign expenses came to less than one cent per voter and none of it came from outside my district. It was possible to win without spending any money, just by spending a lot of shoe leather walking from house to house to get to know the voters. That seemed like democracy to me. What's happening in California doesn't....

If you are a Washington journalist whose career has fallen on hard times, the way to turn your life around is to start a newsletter. The result is that the town is saturated with newsletters. Indeed, it has seemed saturated for years. But every new public issue, whether it's a problem like OPEC or new legislation passed by Congress, opens a door to opportunity for the enterprising journalist. The latest example—I bet you've guessed it by now—is the Gramm-Rudman Report, which is now available for $350 a year. Suppose its author gets a thousand subscribers. Since the expense of publication is close to zero, the potential for profit is not negligible, which of course helps explain the saturation....

A deputy sheriff in Oakland County, Michigan, did not much care for the night shift, so he decided that, whenever he was assigned to it, he would not lose any sleep. He would spend the night in his girlfriend's house. She just happened to be the dispatcher in the sheriff's office, so she would obligingly refer calls to other deputies. Whenever supervisors were on the road checking the deputies, she would call and warn him. When this arrangement was uncovered, the couple did not deny it. Their defense was that the evidence could not be used against them because it was based on illegal taping of their phone calls.

Another example of inspiring behavior by our law enforcement officers comes from New York, where a policeman recently retired with a $24,000 annual pension and 735 parking tickets that he had managed to avoid paying during his career on the force....

In White House press briefings, moments of candor are rare indeed, but one occurred in January when a group of Pentagon bureaucrats was brought to the White House to meet reporters on defense budget issues, including the Star Wars program. When an official was asked how Star Wars could escape Gramm-Rudman, he replied:

"The budget as a whole might shrink, but programs that one wishes to protect within it can be protected by simply asking for more than you must have."

Now you just don't give away the game like that in Washington. Robert Helm, the Pentagon's comptroller, rushed to the microphone to denounce the bureaucrat's statement as "ridiculous and absurd."

The truth is that the practice of padding budgets to provide a cushion against possible future cutbacks is widespread, if not universal, in the federal government. I believe only David Hess of the Knight-Ridder papers spotted this gem, and I congratulate him for his acuity.

The Washington Post recently caught Caspar Weinberger in a doozy, too. The secretary of defense had stated in a January speech:

"America's strategic triad had remained unmodernized throughout the 1970s....Seven new submarines have been built since we came to Washington."

In fact, the *Post* pointed out, both the B-52 bomber fleet and the Minuteman ICBM had been modernized during the seventies, and five of those seven Trident submarines had been started before Reagan took office....

I have received two separate reports from readers in Oregon of the kind of bureaucratic behavior that drives me around the bend. The first is from someone who occupies an office next to those of the Social Security Administration. He says that large, heavy boxes, filled with forms, often arrive from the national office by first-class, not the much cheaper, if somewhat slower, fourth-class mail, only to sit for weeks on the floor by the SSA mail room.

Another reader sent me an

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article from the Portland *Oregonian* about the state Department of Agriculture's campaign against a Vietnamese-American bakery for selling bread in non-standard sizes. The department insists that bread can be sold only in three sizes. So even though Howard Minh Le makes bread that is good and pure and accurately states its weight on the label, the department says he can't sell it....

The GAO recently reported that air traffic controllers are overworked and recommended that it would be "prudent" to limit growth in air traffic before the system loses its "proper margin of safety."

There are now 12,500 controllers, compared with 16,200 before the strike. The result is that controllers worked 908,000 hours of overtime last year compared with 377,000 hours in 1980.

But the solution may not be a limitation on air traffic or even the seemingly logical step of hiring more controllers. The real strains on the system happen at the peak traffic periods, 8 to 9 o'clock in the morning and 4 to 6 o'clock in the afternoon. So one solution would be simply to spread out the flights during the day rather than limiting their number. Another solution would be to replace roughly 3,000 of the present full-time controllers with 6,000 part-timers, who could handle the peak periods without having to be paid for sitting around in between.

A dismaying fact about the federal government is that 93 percent of its jobs are full-time. Because many federal agencies are staffed for periods of peak demand, a lot of sitting around goes on at other times. Part-timers therefore make sense, both from the standpoint of economy and efficiency, in many more jobs than they now hold. And increasing part-time work would help meet an important social problem—the need for such employment by young parents so that they can divide the care of their pre-school children and let one be at home when the older children return from school....

In November, Louis Valdivies was selected as the most able maintenance man on the San Francisco cable car system. In December, Valdivies, who had been hired as a temporary employee, was told he is in danger of losing his job because he didn't score high enough on a civil service test for permanent status. "I know the whole job with my eyes closed," he said, "it was just the test."...

When I proposed last month that we give $5,000 to unmarried women from poor families who reach 21 without becoming pregnant, one of my friends said, "My God, won't that cost too much?" The answer is that teenage pregnancies now cost the taxpayer $16.6 billion....

Gorbachev better watch out. He is allowing at least some public criticism of the perks enjoyed by Soviet officials. These include the best apartments in Moscow, houses in the country, access to stores that carry items unavailable to the general populace, chauffeur-driven cars, and vacations at exclusive resorts. They are prized by the party elite. Anyone who has seen how Washington bureaucrats fight to keep their drivers and executive dining rooms knows the intensity of official devotion to such privileges. The last Soviet leader who permitted them to be questioned was Nikita Khrushchev, and you know what happened to him....

By the way, when the White House staff recently was faced with the temporary loss of free parking space because of a construction project, they simply seized land on a nearby public park. They did not for one moment question that they had the right to do so, that this was an urgent emergency, akin to the government right to commandeer property during a war....

The Census Bureau has reported that government programs provide $10.70 out of every $100 received by Americans as income. Are you muttering about welfare cheats? Well, mutter again. Only 60 cents of the $10.70 goes for welfare. But a whopping $9.30 goes to Social Security and pensions for retired federal, state, and local employees.

Did you know the average retired federal civil servant is paid back all he contributed to the retirement system within 18 months after he retires? The average Social Security recipient gets back his contribution, plus his employers', plus interest,

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within about three years. The rest of the cost of Social Security and public employees' retirement is paid for by, guess who, you and me and all the other taxpayers.

I should make clear that the reform I propose for Social Security—turning it into an insurance program against need—would not involve changing benefits for those who are already retired or who are close enough to taste the benefits they have been led to expect. It is too late in the day to change the rules on them. But they are getting a deal, a deal that is being paid for by the labor of the young—and they should be willing to at least add all their Social Security, not just part, as is presently the case, to the rest of their income for the purpose of determining the income tax they pay. . . .

Last month in these pages Harrison Rainie told you about the New York subway tunnel to nowhere. Los Angeles, presumably unable to control its envy, is now preparing to do the same thing, according to Rich Connell of the *Los Angeles Times*, who reports:

"The Los Angeles Community Redevelopment Agency is proposing to spend nearly $1 million to build a small piece of a little-noticed downtown transit tunnel that goes nowhere and may never carry passengers.". . .

In an article in this issue, we explore the progress that has been made by regulatory agencies. An indication that they still have a way to go is provided by this recent report from UPI:

"An estimated 202 million pounds of toxic chemicals flow into American sewage plants each year, but huge amounts of these hazardous wastes escape untreated into the environment."

At best only about 62 percent of the toxic chemicals that enter the sewage system is neutralized, even in the most efficient plants.

"The rest," continues UPI, "either flows into the air, becomes part of the sludge that is stored on land or dumped in oceans, or is discharged by plants into rivers, bays, and other waterways."

Part of the pollution problem, it turns out, is caused by the federal government itself. The GAO has found that despite an EPA prohibition on the dumping of hazardous wastes, other government agencies have continued to dump these wastes. NASA, the Defense Department, and the Department of Energy dumped 8,300 tons of toxic wastes on just one waste facility in Kettleman Hills, California. What the GAO found is that there is practically no communication between the EPA and other government agencies. Defense and NASA don't even have policies to deal with materials regulated under the Superfund law. . . .

One happy result of the decline in the power of OPEC is that the administration is no longer threatening to go to war to protect the oil of the Persian Gulf. This always seemed silly to me anyway. Gasoline rationing, not war, was the

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If you live in the Washington area, you may be able to help us as a volunteer in our office—with business, production, screening manuscripts, proofing, or occasionally stuffing envelopes. Just drop us a note telling us the work you're interested in, your experience, and the times you're available.

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way to protect ourselves against the cutoff of oil from the Middle East.

By the way, I still think it is important that we enact standby gas rationing to guard against another oil shortage. While such a shortage now appears quite unlikely, the two price shocks of the seventies almost brought the world economy to its knees and we should not risk another such brush with catastrophe.

A tax might also control consumption, but it would have the grave disadvantage of being inflationary if it were high enough to decrease demand dramatically. . . .

Further confirmation that we are up to no good in Honduras comes from this Reuters dispatch from Tegucigalpa:

"U.S. intelligence agents knew that Honduran commando squads trained by the CIA were killing and torturing people suspected of helping Salvadoran rebels obtain arms, but did nothing about it, according to top Honduran and U.S. officials.

"In addition to those who were murdered and tortured, more than a hundred others disappeared, Honduran human rights officials said.". . .

A few months ago I wrote about my conviction that neo-conservative Jews were foolish not to realize that country club conservatives who were their allies in admiring hawkish Israel were in their souls just as anti-semitic as ever. Proof of this was recently provided by Robert Dornan, a congressman from California who is an ardent supporter of Israel but who on the floor of the House called a Russian radio commentator "a disloyal, betraying little Jew.". . .

You may have read that in late February 40 members of Congress traveled to the Greenbrier Hotel in White Sulphur Springs, West Virginia to participate in the Annual Congressional Charity Tennis Tournament. Nice for the fellows to get away from the pressures of life on the Hill and get a little exercise, we say, and after all it's all for charity. But guess who's paying for it? The Grocery Manufacturers Association, which just might have a tiny bit of interest in how these congressmen vote on matters affecting it.

Of course, the perks of congressional office aren't limited to trips to West Virginia. When it comes to travel abroad, the champion trip-takers of the House of Representatives are Stephen Solarz, with nine trips to 45 countries over a recent 22-month period, Robert Badham (eight trips, 17 countries), Joseph McDade (eight trips, 11 countries), and Bob Stump (eight trips, 21 countries). What you might find interesting about all this is that only one of these congressmen—Solarz—is on the Foreign Affairs Committee. . . .

I was fortunate to grow up in a city that had a Democratic and a Republican newspaper, each of which delighted in exposing the misdeeds of the other side. This gave health and vigor to the political life of the community.

I was reminded of the importance of such newspapers recently when I had lunch with a young county prosecutor from Maryland. One of his worst problems is that his area of the state lacks a newspaper that is concerned with corruption among public officials. I felt how lonely it must be for this man to be trying to do the right things when no one recognizes what he is doing. If there is no paper to tell the public about the problems, the public won't be concerned about them. Instead, the various members of the public will appear to be concerned only about their own self-interest. Only a few insiders will appreciate what the prosecutor is trying to do and what he is up against.

One small example of what he is up against is that defense lawyers who have weak cases argue that he should "do something" for them because their clients have paid them and they need to make a living. Someday, they point out, he will be in their shoes, trying to show a client that he has done something to earn his fee. The catch here is that the only way the prosecutor can "do something" for them is to let their clients off with less punishment than they deserve. Yet one can imagine how tempted he must be to go along in order to get along and how crucial the support of the few friends who understand must be to his ability to hold on to his principles. I hope he can hold on. I'm rooting for him. . . .

—*Charles Peters*

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THE MORTGAGED GENERATION:

WHY THE YOUNG CAN'T AFFORD A HOUSE

by Phillip Longman

At age 30, Henry George considered himself a defeated man. With only a grade school education, he had bounced across California from one odd job to another before coming at last to New York, where he soon enough failed as a telegraph news reporter.

The year was 1864, and as George wandered the streets of that rich city, he was struck by what seemed to him a great paradox of modern political economy: that alongside the fabulous mansions and other manifestations of vast new wealth, there could exist unemployed masses whose poverty seemed to exceed that of the most wretched peasants of the Old World. In an instant, George would later write, there came to him "a burning thought, a call, a vision. Every nerve quivered."

The result, 15 years later, was George's worldwide bestseller and enduring classic, *Progress and Poverty.* The book's central thesis was that in any region where the population and the economy are growing, the price of land will inflate even faster. Yet, as George wrote, an "increase in land values does not represent an increase in the common wealth, for what land owners gain by higher prices, the tenants or purchaser who must pay them lose." As George might put it today, land speculation is a zero-sum game. To manufacture any product, or even to provide any service, requires land, labor, and capital in some combination. As more resources are committed to cover the inflating price of land, there are commensurately fewer dollars available to reward workers and those who invest in productive enterprise. To remedy this, George proposed a simple solution: a 100 percent tax on all price appreciation in land, combined with elimination of all taxes on labor and capital.

George stopped short of applying the same logic to man-made forms of real estate. In his view, a house and the lot on which it stands are of an entirely different metaphysical order, since the one is the product of labor and the other a "gift of nature." Yet had he witnessed the superinflation of home prices during the past 30 years, George may well have found this a distinction without much difference. In 1955 the median price paid for a new home was $13,400; by 1985 that price had risen to $88,900—a real increase of more than 60 percent. This price increase was only negligibly the result of anyone's honest labor. Indeed, had a sufficient number of workers been building houses during those decades, supply would have met demand, and prices would have remained stable. Moreover, for at least the past 20 years, the ever-increasing amounts of capital used to finance the sale and resale of existing houses at ever-higher prices has come at the direct expense of investments needed to maintain America's industries, infrastructure, and general standard of living. As a result, not only are today's younger Americans paying unprecedented prices for housing but they are earning less real wages than they would have otherwise. In 1973, the average 30-year-old male needed to pay only 21 percent of his income for the mortgage on a medium-priced house. By 1984, that had jumped to 44 percent. To understand how this has happened, one must look at the government's well-intentioned housing policies of the past 50 years.

With the possible exception of agriculture, there is no sector of the economy in which gov-

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ernment is more directly involved in manipulating prices than in real estate. For nearly 30 years, the results were all to the good. From the Depression on, the federal government has provided mortgage credit and tax benefits aimed at making houses affordable for as many Americans as possible. At the local level, towns have regulated land use to ensure that neighborhoods remain pleasant enough for homebuyers to want to move in. These efforts have, in many ways, tangibly improved the quality of American lives. In 1940, only 44 percent of all families in America were homeowners; today, that figure has risen to 64 percent. Meanwhile, though detractors like Lewis Mumford have made it intellectually fashionable to denounce the sprawl of suburbia, its shaded sidewalks and detached single-family homes are just what the majority of Americans still, and probably always will, desire.

But over time the actions of government have come to serve more those who already own homes than those who would like to buy one. More and more dollars have been diverted from building new houses toward raising the prices of old ones. As a result, in recent years a young family seeking to buy a house has been increasingly likely to find that they can't afford one. At the same time, as more of the national wealth has been allocated to the housing market, investment in our industrial base has eroded. The consequences have been decaying bridges, abandoned factories, and, ultimately, declining real wages for the average worker—especially the young worker just starting to raise a family and hoping to buy a house.

Brother, can you spare a mortgage

Mortgages are largely an invention of the twentieth century. Before World War I, they carried a stigma; the best families were expected to buy their houses outright. During the twenties, however, mortgages became widespread enough to finance a housing boom. The terms of these mortgages seem quaint by today's standards. Even savings and loans, which had been formed specifically to hold the savings of working people and to provide them with home mortgages, would not lend money longer than three to five years, after which time the loan would be refinanced. Bankers refused to write longer-term mortgages because they had to provide their depositors with ready access to their savings. As the cardinal rule of banking puts it, "If you borrow short you cannot afford to lend long."

With the onset of the Depression, wages and prices declined, making it more difficult for people who owed money on their houses to keep up with their monthly payments. In 1926, roughly 68,000 homes were foreclosed; by 1932, the number was up to 250,000. Foreclosures accelerated a decline in housing prices at the same time that savings banks were beset by lines of depositors demanding their money back. The result: hundreds of savings and loans failed, threatening the entire U.S. banking system with collapse. In July 1932, President Herbert Hoover responded by creating the Federal Home Loan Bank Board. Initially funded with a $125 million line of credit with the Treasury, the board was empowered to lend funds to the savings banks, using their mortgages as security. The idea was that the agency would then turn around and sell bonds, backed by these mortgages, in order to raise more capital to lend to the savings banks. This would enable the savings banks to write still more mortgages, and on better terms, while also maintaining enough cash on hand to satisfy their depositors.

The bank board set an important precedent: for the first time, the federal government was using its powers to divert more credit to potential home buyers as a way of protecting both the banks and homeowners from the consequences of falling real estate prices. But the experiment proved a failure. No one would buy the bonds, which were not federally guaranteed.

Within a year, the Roosevelt administration raised the stakes enormously with the creation of the Home Owner's Loan Corporation, empowered to sell up to $2 billion in bonds backed by the full faith and credit of the United States. The HOLC made it possible for the first time for at least some lucky homeowners to take out mortgages running as long as 15 years, rather than the usual two or three years.

Yet this infusion of new and cheaper credit into the real estate markets still was not enough to keep home prices from falling. Between 1929 and 1934, according to the Census Bureau, the average price of owner-occupied houses slipped by more than 20 percent. Nor was this infusion of credit enough to end the massive unemployment in the construction trades. In 1934, Congress passed the centerpiece of Roosevelt's housing legislation, the National Housing Act, which established the Federal Housing Administration. Lewis H. Brown, a prominent housing expert who helped the administration craft the legislation, enthusiastically described its purpose in an article for *The New York Times*.

"Everybody who has studied real estate and

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building knows," Lewis asserted, "that the short-term mortgage, that on which the lender may demand his money at the end of three or four years, was the panic element in the collapse of real estate values." The solution, Lewis concluded, was obvious: entice lenders into offering longer-term mortgage money, with monthly payments going not only to pay interest but also to retire the principal. "Under this bill," Lewis explained, "real estate mortgages will not only be insured by government but the lending bank. . .will be getting its money back each month. There will be no better security in the world than these amortized real estate mortgages."

With the passage of the National Housing Act, the government committed itself to insuring mortgages running for as long as 20 years, at 6 percent interest, and with as little as 20 percent down. The program, administered by the FHA, did not catch on immediately. Some bankers doubted that Congress could insure anything beyond its own term. Others resented all the paperwork, insurance fees, and appraisals the FHA required. As late as 1939, FHA-insured mortgages were only 10 percent of the total.

But gradually, loan officers overcame their habitual prudence. Before insuring a mortgage, the FHA investigated the property and approved the neighborhood. This extra measure of security made FHA mortgages easily tradable. Banks found they could sell FHA mortgages even to investors in distant parts of the country who knew nothing about the property on which the notes were written. If for any reason a homeowner fell behind on a mortgage guaranteed by the FHA, the agency would take over the debt, thereby insulating the mortgage holder from almost all risk. In effect, the government had made it much safer for an investor to put his money into FHA mortgages written by any small, local bank or savings and loan than to own stock in even the largest, most secure corporations.

Quonset huts to Levittown

With the end of World War II, veterans returned home to face an acute housing shortage. Through the Depression and the war, residential construction had been minimal; the yearly average of new homes built had been fewer than 100,000. Now demand for houses surged. Newspaper feature stories vividly illustrated the result. In Omaha, a newspaper advertisement read: "Big Ice Box, 7 x 17 feet, could be fixed up to live in"; in New York, two newlyweds became squatters in a department store window. As late as 1947, six million families were sharing quarters with friends or relatives, while half a million were living in temporary structures such as quonset huts.

But the housing shortage had a built-in solution. Since consumers had found so few items to buy during the war, banks were overflowing with savings. These savings allowed the federal government to provide, through the FHA and a new Veterans Administration loan guarantee program, the opportunity to purchase a first home with little or no money down and at interest rates below 4 percent. The result was an unprecedented boom in homebuilding. The number of houses built rose from 114,000 in 1944 to 937,000 in 1946 and a peak of 1,692,000 in 1950. Overall, a yearly average of 1.4 million houses were built between 1945 and 1965. These new homes were, by the standards of the past, both relatively easy to afford and generally of high quality.

Probably the best-known of these houses were those built in Island Trees, Long Island, subsequently renamed Levittown. In his new book, *Crabgrass Frontier*, Kenneth Jackson describes how William J. Levitt's ingenious mass production technique put up houses quickly and efficiently:

> After bulldozing the land and removing the trees, trucks carefully dropped off building materials at precise 60-foot intervals. Each house was built on a concrete slab (no cellar); the floors were of asphalt and the walls of composition rock-board . . . . Freight cars loaded with lumber went directly into a cutting yard where one man cut parts for ten houses in one day. The construction process itself was divided into 27 distinct steps—beginning with laying the foundation and ending with a clean sweep of the new home. Crews were trained to do one job—one day the white-paint men, then the red-paint men, then the tile layers. Every possible part, especially the most difficult ones, were preassembled in central shops. . . .

Between 1945 and 1965 mortgage debt for houses increased from $18.6 billion to $212.9 billion. As a percentage of the nation's gross national product, this was an increase from 9 to more than 30 percent. But this investment bought something real and sorely needed: new houses. And since supply rose to meet demand, these new houses were provided at affordable prices. Through the 1950s and early 1960s, home prices increased by an average of only 5 percent a year. Even this statistic exaggerates the true rate of inflation because the median-priced house was

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meanwhile increasing in size and luxury. In 1969, the President's Committee on Urban Housing found that most of the rise in home prices between 1953 and 1965 was the result of a 40 percent increase in the floor space of new, median-priced houses, combined with the introduction of "air conditioning, better thermal and sound insulation, more and better appliances, more tasteful design and landscaping, and many other features."

Walling the suburbs

But if federal housing policy proved a success during the two decades after World War II, after 1965 it began to falter. The volume of mortgage debt continued to climb; between 1965 and 1984 it increased from $213 billion to more than $1.3 trillion. But a smaller proportion of this money was spent on creating new houses, which were sorely needed as the postwar baby-boom generation came of age. Instead, the money tended to be spent on the buying and selling of existing houses.

In absolute terms, the number of new houses built remained more or less constant; during the past two decades, it has hovered around one million a year. But this construction has not kept up with rising mortgage debt. During the 1950s, the amount of mortgage money lent each year averaged about one-third less than the total value of new houses built. But in the years to come, with each new dollar of credit committed to mortgages, a declining share went toward buying new homes and a rising share toward the resale of existing homes at ever-higher prices. During the 1960s, the amount of mortgage lending rose to within 10 percent of the value of all new construction. During the first half of the 1970s, mortgage lending for the first time surpassed the value of all new construction. Between 1975 and 1978, the amount of residential mortgage lending rose to nearly half again as much as the value of all new homes built. While lower down-payment requirements for new homes accounted for part of this increase, most of it was the result of an increase in the resale and refinancing of existing houses.

Meanwhile, homebuyers found themselves paying higher prices without buying a commensurate increase in luxury. During the 1970s, for example, the median floor space of new houses increased by only 15 percent while the median price more than tripled. Between 1980 and 1983, the median floor space of new houses actually declined slightly, and a declining percentage of new homes contained such amenities as basements and garages; still, the median price of new homes rose 16 percent.

It might at first seem that the problem of rising prices is solved by the easy credit that inflated prices to begin with. But it doesn't work that way. For example, mortgage interest rates in the Washington area have lately been falling rapidly. But on Capitol Hill, where I live, several sellers whose homes have been on the market for months are already raising their asking prices by several thousand dollars in response to the declining cost of credit. If potential buyers will be paying a lower interest rate, the sellers figure, they can afford to pay a higher price. This means that buyers will have to borrow more than they otherwise would to buy the same house. This, in turn, will price the minimum down payment required for a mortgage out of reach for many. Since Capitol Hill is a gentrifying area with strict limits on new construction, the end result will be an upward price spiral that will increasingly make houses there affordable only to the affluent.

Why did government policies aimed at providing affordable housing instead bid up the price of existing houses? Part of the answer involves the simple fact that by the mid-1960s, there was less and less land available for development that was still within commuting distance of any place you might find a job. To recreate the 1950s boom in affordable suburban housing, we would need to invent a new system of transportation, which, like the combination of the 8-cylinder automobile and the limited access highway, would rapidly expand the supply of land that is economically feasible to develop. Today, despite the trend of business moving to the suburbs, inadequate investment in new highways and mass transit and deferred maintenance of existing highways and bridges is actually lengthening commuting times and in effect shrinking the supply of land.

But another, purely political factor contributing to today's high housing prices lies in the ever-more restrictive zoning ordinances, elaborate and time-consuming building permit processes, land use restrictions, and other measures that limited growth during the late sixties and seventies.

Building codes and zoning restrictions are valuable means by which local government can prevent growth from destroying a community. At the most practical level, they ensure that new houses will be built safely; to a certain degree, they are also helpful in maintaining the character of a neighborhood or town. Historical preservation, for example, can be a laudable means of

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preventing the casual destruction of buildings that pass on from one generation to the next a sense of our cultural heritage. On a less exalted level, prohibitions that proliferated early in this century against building outhouses clearly improved sanitation in towns across America.

But when towns require, as many now do, that all new homes contain more floor space than those built in the 1940s and 1950s, that they have copper rather than plastic pipes, and that they be placed far back on minimum half-acre lots with paved driveways and four-foot sidewalks, it shouldn't surprise us that prices become prohibitive. In preserving rigorous standards for development, communities find themselves also, often quite deliberately, protecting their investment at the expense of newcomers.

By the late 1960s, more than 78 percent of cities with populations greater than 10,000 had some form of land-use regulation. More than half had zoning ordinances, and nearly 45 percent had enacted subdivision regulation. Roughly a quarter of the towns in America required new homes to be built on lots of at least half an acre. Two blue-ribbon panels of the time reported that such regulations were frequently being used to limit residential development to large, expensive single-family homes and that the effect of this was to restrict the supply and inflate the cost of all housing. Most young people no longer had the option of buying a new, no-frills, unfinished "starter house" of the size and kind that Levitt made famous, for in most towns across America such houses had already been declared illegal to build.

Yet, in the years to come, the web of local regulation would become much more complex. In 1982, President Reagan's Commission on Housing found that "unnecessary regulation of land use and buildings has increased so much over the past two decades that Americans have begun to feel the undesirable consequences: fewer housing choices, limited production, high costs and lower productivity in residential construction." The commission concluded that such regulations had pushed up costs of houses in some communities by as much as 25 percent of the final sales price.

Consider local building codes, which often go far beyond what is required to ensure public safety. Modern, labor-saving techniques such as preassembled roof trusses and pre-wired panel boards are often forbidden. These restrictions in part reflect the political power of construction unions, whose members fear that such modern, labor-saving techniques as prefabrication will cost them their jobs. But they also derive from pres-

THE WASHINGTON MONTHLY

Journalism Award

for January 1986 is presented to
Bill Moyers
CBS News
and
Leon Dash
The Washington Post

In a television special for CBS and a six-part newspaper series for *The Washington Post*, Moyers and Dash each explored attitudes of black ghetto teenagers toward pregnancy. The special and the series were striking for their vivid and sensitive reporting, but more particularly for what they revealed about frequently overlooked male attitudes toward pregnancy. In the Moyers show, a black teenager named Timothy bragged about how fertile he was; in the *Post* series, a black teenager named Willie said he broke up with his girlfriend after she started taking "birth controls" because "I really couldn't feel like a man." Though teenage pregnancy in the ghetto is usually attributed to the yearning of young girls for something to love, Moyers and Dash show that just as important (and sadly destructive) is the way males view fathering as an affirmation of their masculinity.

We'd also like to recognize **Jimmy Breslin** of the New York *Daily News* for breaking the story of how Queens Borough President Donald Manes allegedly coordinated a system of kickbacks to city officials from companies that collected parking meter fines. It has since blossomed into a city-wide scandal, affecting several officials in the administration of Mayor Ed Koch.

The Monthly Journalism Award is presented each month to the best newspaper, magazine, television, or radio story (or series of stories) on our political system. The award for stories published or aired in March will be announced in the June issue. Nominations will close April 15. Nominations should be accompanied by two copies of the story or stories.

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sures wielded by homeowners intent on enhancing the "quality" of the neighborhood and, by extension, their property values. Another method commonly used to raise property values is to limit the supply of land. As with building regulations, land-use restrictions can protect legitimate public interests or be abused for the purpose of inflating property values. Admittedly, the line can be hard to draw. If, for example, some farmers on the fringes of a city are suffering financially, should they be permitted to subdivide their land for development, thereby destroying the rural character of the neighborhood and perhaps even raising property taxes for those farmers who remain?

A less ambiguous case is that of the California suburbs of Rolling Hills, Indian Wells, Bradbury, and Hidden Hills. These are literally walled cities, with entrance permitted only after one has passed uniformed guards and closed-circuit TV monitors, displayed an automobile sticker, or shown an identification card.

Another means by which homeowners restrict growth and raise property values is by requiring newcomers to assume the full cost of new schools, roads, utilities and other infrastructure that might be made necessary by an increase in local population. During the 1950s, such expenditures were traditionally borne by the community as a whole. Developers often took advantage of this arrangement by putting up unrestricted numbers of houses and then announcing to a local government that it would have to hook up sewers, build roads, and so forth. Naturally this created a movement to make the developers assume some of these costs. Unfortunately, many communities went beyond having developers pick up some costs and instead had them pick up all costs. Developers, in turn, passed them on to new homeowners, often on a one-to-one basis.

In Dade County, Florida, one developer building a housing project discovered to his chagrin that the asphalt used to pave the main streets of his subdivision would have to be three inches thick—the same thickness standard for interstate highways. This baffled him, since one inch was the standard requirement for streets of the sort he was building. After making some inquiries, he found out that the public works department, which would be responsible for repaving the streets in the years to come, had been suffering a budget squeeze. One way to save money was to make road-building specifications so stringent that anticipated repair could be pushed back as far as 20 years. So the department had quietly been raising the asphalt thickness requirement by half an inch each year. In effect, the city was forcing the developer to pick up the cost not only of building the road but of repairing it over the next two decades. He, in turn, passed this entire cost onto the families that bought his houses.

Sometimes such restrictions can prevent a development from being built in the first place. In San Diego, for example, the city council approved a prize-winning development in the north end of the city only after the developers agreed to build all public facilities—schools, water plants, sewage plants, police stations, firehouses, libraries, and parks—with their own (that is, the new residents') money. Even so, then-Mayor Pete Wilson opposed the plan, claiming that the new residents would still need other city services costing two and a half million dollars a year.

Overall, it's difficult to measure how much land-use restrictions have raised the cost of housing, but it's not surprising to find that during the 1970s, when such restrictions were gathering steam, the price of land for new homes rose faster than the price of labor, material, or any other cost component except financing. By 1980, nearly a quarter of the cost of the average new home would go just for the cost of the lot. Henry George, where are you when we need you?

Debt and taxes

Local barriers to new construction weren't the only reason why rising national investment in houses failed to keep prices down after 1965. Also important were three additional factors acting in combination: the creation of new government agencies that pumped mortgage money into the housing market faster than new houses were actually being built, tax subsidies that failed to discriminate in favor of new home construction, and inflation. In 1968, the Council of Economic Advisors, in its annual report to the president, predicted that 20 million new housing units would be required during the 1970s "to meet the needs of the postwar baby boom." Yet the housing industry was building only about 1.5 million houses per year. A logical response might have been for the federal government to take measures to coax more capital specifically into new home construction. Instead, it directed dollars into new and existing homes alike.

The Federal National Mortgage Association (Fannie Mae) started life as a minor New Deal program. In 1968, however, it was given greater power as a congressionally chartered, privately held company dedicated to attracting captital into

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Government backing of home mortgages helped raise the proportion of homeowners from 44 percent in 1940 to 64 percent today. But since 1965, federally directed investment has served to bid up the price of existing houses rather than build new ones, making it increasingly difficult for young people to live as well as their parents did.

mortgage lending. Fannie Mae's mission is to purchase mortgages. To raise the necessary capital, Fannie Mae sells to private investors bonds and special securities backed by pools of mortgages. With a call on the Treasury to buy $2.25 billion in offerings should the credit market dry up, Fannie Mae has little trouble luring capital. Today, its portfolio is worth more than a hundred billion dollars. Investors assume that the government would never allow Fannie Mae to collapse.

The same housing act that expanded Fannie Mae's power also gave it a little sister, the Government National Mortgage Association (Ginnie Mae). Shortly afterward, they were joined by a little brother, the Federal Home Loan Mortgage Corporation (Freddie Mac). Ginnie Mae works much the same way Fannie Mae does, but its issues are formally guaranteed by the full faith and credit of the U.S. Treasury. Freddie Mac was designed to purchase mortgages from savings and loan institutions. (Fannie Mae and Ginnie Mae buy their mortgages from a variety of institutions, including commercial banks and mortgage companies.) Between 1968 and 1980, these three agencies, along with other agencies that provide low cost mortgages to farmers, sold $361 billion in bonds and pumped it into home finance.

At the same time, the tax advantages of owning a house were growing more compelling. Ever since Woodrow Wilson had signed the income tax into law in 1913, "interest on indebtedness" had been exempt. When tax rates rose during the 1940s, the mortgage-interest deduction became a significant factor in spurring people to buy houses. Similarly, as the inflation of the 1970s automatically pushed Americans into higher tax brackets, more and more Americans sought to shelter their earnings in real estate. Between 1965 and 1980, "bracket creep" increased the marginal tax rate for a family earning the median income from 14 to 24 percent. By the late 1970s the only shelter many of these Americans were seeking was shelter from high taxes. Young families in need of a home found themselves bidding against an ever greater number of speculators and other buyers seeking tax advantages.

At the same time, many people who ordinarily would not have wanted to live in houses decided that it was financially prudent. Senior citizens, for example, have often found it more convenient to move to an apartment after their children leave than to try and keep up a large, empty house. Many upper- and middle-class urban families prefer apartment living to the hassles of home ownership. Single people generally have little need of a house. But during the 1970s, the only alternative to owning a home was to pay rent and try saving your money, while inflation and rising taxes ate you alive. And because the government saw to it that the supply of cheap mortgages continued to expand, homeowners found that there was virtually no limit to what they could get for their property.

Largely as a result of government-sponsored real estate speculation, by the end of the 1970s, the thrift ethos in this country was nearly extinct. The American middle class took its counsel from best-selling authors, popular lecturers, and other savants who had discovered how to get rich quick in real estate. Even those homeowners who were too afraid to leverage or pyramid their inflating home equity into untold fortune still looked more and more to their "investment" in real estate as a substitute for savings. And who could blame them? Their rising property values did reduce their need to save. Moreover, so long as federal banking regulations forced banks and thrift institutions to hold down interest rates on savings accounts well below the general rate of inflation, only a fool would expect to retire comfortably on a passbook account.

Empty skyscrapers

But the great real estate bubble of the 1970s could not expand indefinitely. One reason was

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that by the end of the decade, the savings and loan industry was nearly insolvent. With assets largely tied up in long-term, low-yielding mortgages, and depositors increasingly scarce, most S&L's were losing big money, and many were going bust. Home buyers, especially in states that imposed usury ceilings on loans, found it increasingly difficult to secure mortgages. There were too many borrowers and too few savers.

Two key pieces of legislation sought to repair the crisis. The first came in March 1979, when banking regulators for the first time since the Great Depression permitted all of the nation's thrift institutions to write variable rate mortgages. This meant that thrift institutions would no longer be forced to assume all the risk of future inflation or high interest rates, shifting most of that burden to the mortgage borrower.

The next major reform came in March 1980, when Congress passed the Depository Institution Deregulation and Monetary Control Act. With this measure, the government launched a full-scale assault on banking regulations that for the course of two generations had kept interest rates artificially low. The act called for the elimination of interest-rate ceilings on savings accounts by 1986 and struck down regulations that, for more than 60 years, had forced thrift institutions to invest their deposits primarily in real estate lending.

The result ought to have been fewer mortgages taken out for the purpose of investment or speculation and more taken out for the purpose of buying a home that a family wanted to live in. This, in turn, would have made houses more affordable. An ancillary benefit should have been more investment diverted from real estate into productive, wealth-creating enterprise.

But that didn't happen. Instead, most thrifts continued to invest in real estate. This time, however, the emphasis shifted to commercial real estate. Between 1979 and 1983, the share of all S&L lending flowing to non-residential real estate such as office buildings, hotels, and shopping malls, increased from 3.6 percent to 12.9 percent. By the mid-1980s, most major cities across the country faced a severe glut of new office space, while continuing to endure acute housing shortages.

This time the problem had largely to do with tax policy. In 1981, Congress radically reduced the amount of time it took to write off a new investment. Previously the period of depreciation for business property had been 25 to 30 years. Now, under the new Accelerated Cost Recovery System, that was reduced to 15 years. Since, as Henry George observed, land values are one of the few things in life that are virtually guaranteed to appreciate over time, and considering that few buildings crumble after 15 (or even 30) years, granting generous tax depreciations on commercial real estate proved to be one of the least sensible tax cuts of the Reagan era. Combined with an investment tax credit of up to 10 percent, which applied to such things as hotel furniture, and assorted other tax breaks, ACRS raised the value of tax writeoffs so high that in some cases they exceeded the cost of the building itself. Although the tax bill currently before the Senate would bring real estate depreciation back up to at least 30 years and eliminate the investment tax credit, for the moment the speculation in commercial real estate continues.

Houselessness

Today, a rising number of young Americans remain priced out of the real estate market. Between 1977 and 1983, the home ownership rate for families headed by a person under 35 declined from 41 to 34 percent. As we've seen, much of the problem can be blamed on the way government, directly and indirectly, has inflated the price of houses. But there's another side to the government's role in the mortgaging of America: the problem of where the money hasn't been spent. Between 1965 and 1981, while the value of the country's stock of residential real estate was increasing by an annual, inflation-adjusted average of 6.7 percent, the value of corporate bonds and equities increased by less than 1 percent. As two noted critics of government subsidies to homeowners observed in 1981, "One of the visions that haunts efforts at projecting housing realities into the future is one of a splendid tract development surrounding an abandoned factory."

It isn't quite fair to say that America has built too much housing in recent decades; indeed, most people would find it obvious that we haven't built enough to shelter the baby boomers and their children in the style of the previous generation. But it is clear that as a nation we have been diverting far too much financial capital to bidding up the price of existing homes, and not enough capital into maintaining our roads and bridges and other infrastructure, or to improving the competitiveness of our manufacturing base and labor force. Each year since the late 1960s, for example, America's rate of productivity growth has fallen farther and farther behind that of major trading partners. If today's young people are to have affordable housing, we must redirect

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some investment from real estate not only into the machines but also into the education and job-training they need in order to compete in today's world economy. It's worth noting that the typical family in Japan, where land is very scarce, spends only 5 percent of its disposable income on housing, compared to the typical American family, which spends 15 percent.

How are we to reconcile our still-pressing need to invest in new housing while at the same forming the capital needed to put our industries back on their feet? The best solution would be for Americans to save more; the larger the pool of savings, the less harsh the trade-off between investment in housing and investment in factories and education.

Meanwhile, whatever we invest as a nation in real estate ought to go disproportionately for new construction, rather than for underwriting existing housing. Any tax credit or credit subsidy that does not, for whatever reason, lead to the creation of new homes does nothing to make housing more affordable. Instead, such subsidies serve to drive up the price of existing homes, by raising demand without increasing supply. Moreover, because such subsidies cost the government foregone revenue—the mortgage interest deduction alone costs the Treasury about $35 billion a year—they aggravate the budget deficits and cost all Americans more money in the long run.

Federally sponsored credit agencies like Fannie Mae and Ginnie Mae should be directed to place more, and perhaps all of their investment portfolios into new, rather than existing residential units. Similarly, voters should demand that local governments prohibit the most blatantly exclusionary zoning laws and building regulations. Tax subsidies such as the mortgage interest-rate deduction serve simply to enrich present homeowners at the expense of all who follow unless they are targeted to encourage new construction.

Life often presents us with opportunities to enrich ourselves at the expense of latecomers. Often the transaction is inadvertent, as, for example, when generations of Ethiopians overgrazed their land through ignorance of ecology, gaining more food for themselves but leaving their children and grandchildren to starve. America's current housing policies will certainly not cost future Americans their food and succor. But, unless reformed, they will cost us the wealth that we need to buy houses to live in. ■

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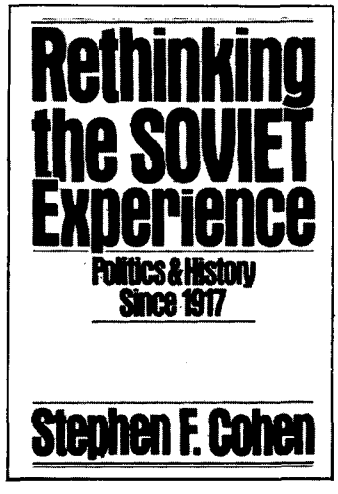

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WASHINGTON, D.C. 20310

January 7, 1986

OFFICE OF THE
CHIEF OF PUBLIC AFFAIRS

SAPA-PP

Mr. Rick Settoon
CBNU Housing, Box 84
CBN Center
Virginia Beach, Virginia 23463

Dear Mr. Settoon:

This is in response to your December 18, 1985 letter requesting use of an Army truck for your music video production.

The Departments of Defense and Army require certain criteria to be met before approval can be given to provide assistance to commercial audiovisual ventures. Unfortunately, your concept of production for your music video does not meet the following of those criteria:

--That military personnel, equipment and operations are accurately depicted.

--That there be no diversion of Army equipment or personnel in connection with the production.

--That there be no competition with civilian enterprise.

Based on the foregoing, even if you should decide to rent an appropriate vehicle, we must still deny you the use of Ft. Story beach because of the inaccurate portrayal of the military. Despite the neutral nature of the uniforms/vehicle we cannot support a production which implies the military executing Jesus Christ.

Sincerely,

MIGUEL E. MONTEVERDE, Sr.
Colonel, U. S. Army
Chief, Policy & Plans Division

CF:
TRADOC PAO
Ft. Story PAO
Ft. Eustis PAO

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HAMMERS AND NAILS IN MT. WINANS

by Kitry Krause

In 1984, Baltimore housing administrators made U.S. Housing and Urban Development (HUD) officials an unusual proposal. The city would renovate 140 public housing units quickly and efficiently—for 10 percent less than a private contractor would charge. What's more, it would employ the tenants to do the renovations, even though most of them didn't know a power drill from a jigsaw. No one in the country had ever hired just public housing tenants to renovate their own apartment complex. HUD officials worried that the city couldn't supervise the trainees closely enough to ensure the quality of the work would be up to federal standards. But for several years, Baltimore had been running a program training low-income, unskilled workers to rehabilitate other city projects. While none of those projects was as big as the Mt. Winans project would be, city administrators took HUD officials on a tour of their successes and convinced them they could manage a $2.2 million contract.

Kitry Krause is on the staff of The Washington Monthly.

The 41 resident trainees, who began work just over a year ago, have now finished one third of the units. "I loved it from the beginning," says Diane Jones, a 34-year old mother who had been on welfare for the previous five years. "As soon as they put a ruler in my hand and let me get my knees dirty, I fell in love with it." Everyone involved in the project—the federal government, the city, the neighborhood, and the trainees—seems to be coming out ahead. The project has been a success in large part because it is a community project: the trainees are making a

Photo: Kitry Krause

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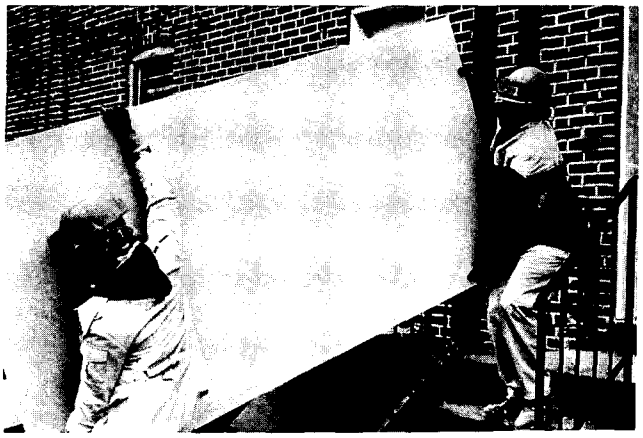

Photo: Kitry Krause

The Mt. Winans project will renovate low-income apartments for up to $300,000 less than a private contractor would have charged. At the same time, welfare recipients will have acquired useful construction skills and good work habits.

contribution to their community, and the community in turn is giving them strong support that will help carry them through.

The American public often seems to view poverty programs as one huge sinkhole into which it endlessly pours money. But state and local governments, having watched federal anti-poverty funds shrink in the past few years, have become much more efficient and creative in their use of what comes to them. Many programs now quickly pay back the government's investment by getting their clients off welfare, into private sector jobs, and onto the tax rolls. Baltimore's Mt. Winans renovation project would seem to be a model of such economy.

HUD officials are pleased with the progress of the renovation. The project will have cost them $200,000-300,000 less than a private contractor would have charged, and the quality of the work, say city and HUD inspectors, is at least as good as a private contractor's and sometimes better. Although the project probably won't be finished on time, it's not likely to run much more than a few months over. Since the main object of the project was to renovate apartments for low-income residents, to do it well, within budget, and reasonably on time, you could stop right there and call it a successful public housing project. But virtually without spending any more money, Baltimore administrators have made it a far bigger success.

For one thing, the city will probably have much lower repair and maintenance bills for the apartments once renovations are completed. Many of the trainees or their relatives are residents in the housing project, and are far more likely to maintain the homes they have just renovated than if an outside contractor had done the work. And they're likely to persuade their neighbors to do the same. Sandra Ricks, a 30-year-old mother who was on welfare for a number of years, is proud of the renovated apartment she has already moved into. The walls, which used to be blue, yellow, and pink, are now a light cream. The corner kitchen has new birch cabinets and a new stove and refrigerator. The bathroom has all new fixtures, and the new ceramic floor tiles have been carefully cut around them. Gloria LeGrand, a 28-year-old mother who has been on and off welfare for the past few years, describes how Ricks had insisted that everything in the apartment be done so perfectly that the other trainees nearly threw her out. It wasn't enough that the windows were clean, says LeGrand. "They had to sparkle." Ricks then tells how a friend, in trying to hang a plant from the ceiling, put a big hole in the drywall. The next day Ricks spackled and repainted the spot. The trainees, says Carnelious Harrison, the manager of the Mt. Winans public housing, "feel they've contributed to the community. They're very proud of what they've done." He says that their children point to their work and say "Look what mama did."

Most important, though, the city will have trained at least 40 of its poor, three-quarters of whom were on welfare, in the construction skills and good work habits that will not only get them a job but help them to keep it. They spent six weeks, 40 hours per week, in pretraining classes given by the Home Builders Association of Maryland through a federal Job Training Partnership grant. They were paid a $30 per week stipend, which was small enough that those on welfare retained their benefits while in class. When they started renovating the housing units, 12 supervisors carefully taught them not only how to rip out walls, floors, and windows but how to replace them. Once on the job, most of those on welfare lost their benefits. They started at the minimum wage, $3.35 per hour, and received no medical insurance or sick leave; a few were later given raises up to $3.80 per hour.

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"Some of them have gotten really good," says Tim Peach, general superintendent of rehabilitation, who oversees the project. "Others are here just for the paycheck." Most of the trainees, however, want to work, want something more than a welfare check, and are proud of the work they've done. "I think it's fascinating," says Ricks. "I thought it would be hard. It's easy. I love it. You learn something new every day. . . . I'm going to go on with it—high rise!"

What Mazie knew

Why has this project been so successful in building that kind of enthusiasm? For one thing, it's small. Although the project will train only 40 to 50 people, small programs, because they can be flexible and responsive to individual needs, may be the best way to reach the unskilled, long unemployed. But small, adaptable programs, if they are to work well, require that the community accept a lot of responsiblity for them—which Mt. Winans did.

City officials certainly were careful in picking Mt. Winans. It is a poor neighborhood that sits partially isolated just south of the Patapsco River and just north of a railroad line. It is more a part of the suburbs than the city; residents who work usually have to travel far out of the neighborhood. The rows of public housing, two-story brick apartments that were built during World War II, are interspersed with privately owned homes. The city owns and manages the apartments; the last major repairs were made almost 20 years ago.

It is a close community. Many of its residents are born there, marry there, and stay there. Everyone knows everyone else; the trainees grew up together or with older or younger brothers and sisters. There are brothers and sisters and cousins among the trainees. "We always got along," says Mazie White, president of the Civic Interest Group, a local community organization for public and private housing residents. "It's just like family." City administrators knew they would have to gain the support of such a tight community to keep the project together for the full year and a half it would take to renovate all 140 units. In part, they were compensating for mistakes they had made in Remington, a community in north Baltimore that had been their first choice for the project. There, because they had failed to get full community support early on, city officials couldn't stop rumors that residents would be evicted or workers exploited. In Mt. Winans, city officials reassured residents, who had many of the same fears, at open meetings. And they took seriously community members' ideas. The six-week pretraining classes, for instance, were held in the local community center instead of downtown because residents said the trainees would be more likely to attend if they didn't have to find transportation. The tenants, who were temporarily moved to other housing while their apartments were renovated, had their own suggestions. The stairwells in some apartments were opened up because they said they couldn't get queen-size boxsprings up them. When that proved too expensive, long windows in the upstairs bedrooms were added instead. The community also set up its own task force to recruit trainees and to keep an eye on the renovations; every month task force members inspect the buildings before the HUD inspector comes through.

City officials gained the support of the community largely because they had the early support of its leaders. Mazie White of the Civic Interest Group was one. For ten years, she has been the heart of this organization that collects food and donations for the poorest in the community, calls businesses to find the unemployed jobs, and refers those with other needs to outside agencies. Elizabeth Wright, chair of the public housing's Resident Advisory Board, was another. As a member of the board, she scrutinizes the city's policies on public housing. Both women are on the task force. Sharing power as they do, they might have divided the community if either had sided with those who had misgivings. But these two women both believed that the chance for some of "their" unemployed to get trained for a real job was more important than anyone's doubts. Disagreements could be settled; jobs were hard to come by. "The key point is the leaders in the community have to be involved, have to want it to work," says White.

The two have been the trainees' best cheerleaders. Wright talks to the trainees who come by the day care center she runs. White goes to the project site every working day. Wearing her hard hat, she talks with the supervisors and trainees, listens to their problems, encourages their progress. She has talked some who were discouraged into staying, and cooled more than one hothead. "I love 'em, but you have to be tough," says White. "I'm like a mother to them all." Is she? Jeff Reese, a 19-year-old trainee who's been on the project for two months, doesn't answer. Instead, a grin slides first onto one side of his face and then spreads onto the other. He nods and looks at his feet.

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Sandra Ricks, a 30-year-old mother and former welfare recipient, insisted that renovations in her apartment be done so perfectly that the other trainees nearly threw her out. It wasn't enough that the windows were clean, recalls another trainee. They had to sparkle.

In some ways the smartest thing city officials did was to simply get out of the way and let those in the community who valued work and self-sufficiency shepherd the trainees. "I believe that people should work for whatever they receive," says White, who is a nurse. "I wanted to get as many people enrolled in the program as possible so they could be independent." The community leaders helped recruit and screen the trainees, looking for those who were not only interested in construction but were eager to work. A number of those chosen had refused to go on welfare even when they had been eligible. They lived with their parents or scraped by on what they made when they found work. Others wanted the chance to get off. Ella Anderson, a 41-year-old mother of two sons, had been on welfare for nearly ten years. She has now been a trainee for more than a year. "It takes a lot of willpower sometimes. Sometimes when I wake up in the morning. . . ." she shakes her head. "But when I think of all my options, I get here. . . . I don't want to be on [welfare] anymore." Not everyone came in so determined. Some, says White, "just stood on the corner getting high. That's the miracle. . . . It changed their attitudes. Now they want to work."

Because the project is smack in the middle of the community, trainees have no excuses for not making it to work. They also know the contribution they're making to their own community. Friends and neighbors see what the trainees have accomplished, and their praise delights the trainees. "A lot of people tell me that we're doing a great job," Anderson says proudly. Her children, she says, think her job is "fantastic." The trainees have also become the envy of their peers. 'When we first started. . . there were people who laughed at us for making only $30 a week," says Larry Johnson. "Now they're asking, 'Are they hiring?' "

The Home Builders' instructors for the six-weeks pretraining course encouraged that pride from the beginning by making it clear that no one was being given anything other than an opportunity. The rewards, when they came, would then belong entirely to the trainees. The instructors insisted that the trainees would be important enough to their future employers that they had to learn to get to work on time. They made it clear that any trainee who was late to class three times was out of the program. Nobody had to be expelled. Community residents were asked what the trainees could do to fix up the community center where the classes were held. By the end of the six weeks, the center had new paint, new floor tiles, new kitchen cabinets, and two playhouses, one of which was given to the school for handicapped children next door. The 26 women and 15 men who finished also had a new sense of themselves. "We were so hyped," says LeGrand. "You feel like someone needs you, wants you." At the graduation ceremony, the cheering left everyone in tears.

Once on the job, the trainees' task was enormous; there is nothing "make-work" about this project. They were staring at 140 apartments, some of which had been vacant and badly vandalized. Walls, floors and kitchens had to be ripped out. Drywall had to be put up, spackled, and painted. Doors had to be hung, outlets rewired, plumbing replaced. Later, tile would have to be laid, kitchen cabinets put in, and then everything cleaned. They had only 18 months to do the work. Every construction skill a trainee might want to learn had to be done; they were shifted from one job to another until they found something they liked and were good at. The work was heavy, dirty, and often discouraging. More so, perhaps, for the women. "I was fussin' every day. My back hurt. I ached all over. . . . It was cryin' time," laughs Ricks. But the women found that they could do almost anything except the heaviest lifting. "A lot of guys want to help you," chuckles Anderson. "You hate to disappoint them, but you tell them to move out of the way."

Not surprisingly, the trainees' enthusiasm didn't immediately make them efficient. Although they were being taught by 12 supervisors—one for every four trainees—the first block of eight apartments took the green trainees almost seven months. They were also way over budget on the per unit costs. Fortunately, the supervisors had been hired because they wanted to teach and were willing to be patient. They, too, are fairly strict about the few rules they have: no drugs or alcohol on the job; you go back home if you're late; and you work until it's time to quit. But they also want their students to make it. Their concern can be touching. Joe "Baby"

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Bryant, a gruff, old, cigar-smoking supervisor of finish work who's reluctant to say why he teaches for the city when he could be making twice as much working for a private contractor, pulled me aside and asked me to find out if LeGrand really liked laying tile or was just saying so. He then waited for me after work to hear that, indeed, she did. But they're not all so sweet. At least one supervisor harrassed the women for doing "men's work" when they should have been at home.

Low wages, high hopes

The true test of the success of this project from the trainees' point of view will be the job they find when it's over. None of them will come out a carpenter or an electrician; those trade apprenticeships take far longer. But their ability to work steadily and with a minimum of supervision, combined with the skills they have learned, could land them an entry-level construction job. The trainees say that they push those who don't pull their own weight harder than the supervisors do. "I've done something in every house, so I feel responsible," says LeGrand. Larry Johnson now frames and sets windows all on his own. Joe Bryant is proud that his crew can lay a line of tile across a floor and then lay branching rows off the original line while keeping them perfectly square—something he says a lot of contractors' help can't do. Some of the trainees are already hiring themselves out on the side to do repairs for their parents and neighbors. Desmond Williams, a 22-year-old father, was offered a construction job but turned it down because he was afraid it wouldn't last. He starts carpentry school this month. Many want to stay in construction; others want less back-breaking work. Driving a truck is the current dream of a number of the women. At the end of their training, the city's placement office will give them workshops on how to handle an interview with a potential employer. It will also try to find them a job. "If they don't, I'll find one on my own," says Donalyn Partlow, a 24-year-old mother. The placement rate for trainees who have completed the city's other trainee renovation program, City Builders, is now 82 percent; 92 out of 112 who wanted jobs in the last fiscal year were placed. The remaining 20 have gone on interviews and not been hired or could not find transportation to jobs they might otherwise have had. The city is still trying to place them, as it will any trainee who later loses his or her job. While construction workers are often hired only by the job, the city places trainees in jobs that are permanent. Their average starting pay has been $6 an hour, the minimum $4.50.

Gina Bridges, the aggressive "marketing specialist" the city hired last November to place trainees, says she now has more jobs than people to fill them. In part, that is because construction is booming in Baltimore. Most of that boom is in private, residential construction that offers plenty of the kind of entry-level jobs the trainees could fill. Because there is enough work in the area, they won't run into the competition for jobs they might in another city. Nor, because the demand is high, will they have to worry about employers who are reluctant to take on low-income trainees because they had bad experiences in the past with CETA trainees.

But the side benefits of this renovation project—the special training, the community's pride—would not have been possible if the city hadn't been allowed to pay low wages. Because the training takes so long and the work goes so slowly, the city could offer a competitive bid only if its labor costs were low. Usually, when the federal government contracts with state or local governments to do housing construction or major renovations, the localities are required to pay the Davis-Bacon Act federal wage scale. That scale is an average of the wages local firms pay for each category of construction job. Had the city been required to pay the Davis-Bacon rates, trainees would have received between $6 and $8 per hour. And that would have been the end of the project. But the funding for this project came from HUD's Comprehensive Improvement Assistance Progam (CIAP), which pays for public housing maintenance. Since the Department of Labor has ruled that Davis-Bacon rates do not apply to CIAP work, HUD was allowed to set starting rates at the minimum wage.

There is one way the project could pay slightly higher wages to relieve some of the hardship on the trainees and still get funding from HUD. The federal government could simply amend its regulations so that bids from programs that train unemployed welfare recipients would be viewed with a more sympathetic eye than those from other contractors. That would cost the government a little more, but since it would be meeting two important social goals—renovating public housing and training the poor—it would be an efficient use of resources.

Running in place

To improve upon the Mt. Winans model, it's important to understand its failings. The project's

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attrition rate has been high. For each person that has left, the city has had to hire and train a replacement, which has set the construction schedule further back. One year after the project began, half of the original trainees had dropped out. Five were fired for attendance or attitude problems; one was in jail; five simply resigned without saying why. One went into the Army; two left for medical reasons; two transferred to another city training program; five found private sector jobs, four in construction, one in a warehouse. One-quarter of the trainees, then, can be seen as having failed in the program. The trainees say that the five who were fired were disruptive and couldn't work well with their supervisors and coworkers. Yet they believe that some of them might be reached if a program that taught other skills was available to them. It is less clear why five simply left. Some had attendance problems. Some said they couldn't handle the pressure, or couldn't make it earning so little. Had the city had the personnel troubleshooter it now has, perhaps it might not have lost so many. Nonetheless, of these ten people, most have asked to come back into the program.

The low wages have been hard on most of the trainees, though when asked what would be a more reasonable wage, they say $4 an hour. Most of the parents who had been on welfare are receiving more in gross income than they had before. But it is a bitter irony that the way the welfare system is structured, their new jobs have put them barely ahead of where they had been. Within four months of starting their on-the-job training, parents with one child lost almost all their welfare benefits, including Medicaid. They then lost a chunk of their wages to taxes. Then another chunk to raised rents; HUD requires public housing residents to pay one-third of their income in rent regardless of their circumstances. Sandra Ricks is typical of the trainees who support one child on their own. Making $3.80 per hour, she takes home $470 each month and is eligible for $25 in food stamps. On welfare, she received $256 per month through AFDC, $110 in food stamps, and was eligible for Medicaid. Since her rent went from $63 to $155 per month, she takes home only $37 more each month—and has no medical insurance. Like other Americans who don't have insurance, many of the trainees live in fear that they or their children might be hurt or become ill and they won't be able to pay the bills. With that kind of pressure on them as the providers for their family, it is not surprising that some of them gave up. Yet most did not.

Much of the current discussion about the problems with our welfare system has focused—rightly so—on absurd welfare and tax laws and the disincentives they may create. Often, as in Sandra Ricks's case, the only way welfare recipients can see a real standard of living improvement is by landing a job that pays far better than the ones usually available to them. Some critics go on to conclude that since the poor have welfare to fall back on, they don't want to work. There are undoubtedly some individuals like that. But many, if this program is any indication, want to work—even if it brings them little immediate gain. "You get me the job, and I'll get you the people," says Mazie White. Given a chance to learn skills that could let them earn a decent income someday, the trainees have been eager to work—and work hard—for low wages and without benefits. "Further along the road, that's where I look," says LeGrand. "It's hard, but if you're not happy, the money isn't anything."

One of the most troubling aspects of the Mt. Winans project—and other small poverty programs—is that it succeeds, in part, because it "creams" off the most motivated and energetic of the poor but fails to reach the rest. Ninety-five applied for the original 41 places. Mazie White says she knows probably 200 young people and more than 250 who are over 30 who are out of work. It is true this project has pulled along a few of the underclass, but there are so many left.

Still, the project continues to meet the hopes of city administrators, however small its success may be when held up next to the need. The work is getting done, the trainees are proud of that work, and the community is proud of them. The city, in fact, is now negotiating with HUD officials about starting a similar project on another public housing site. The question is whether they'll get the funds to do it. Not only are deficit-reduction cuts threatening housing programs, but the Reagan administration has "deferred" nearly $7 billion of housing and community development grants. Since Community Development Block Grant money funds a significant portion of the City Builders program, that program is likely to be cut. These cold fiscal realities may result in fewer stories like that of Darlene Gibson, a shy 26-year-old who started with the original class of trainees. Her last full time job was with K-Mart in 1981. She now hopes to stay in construction, maybe drive a truck. She says of the day she completed the six-week training course, "I didn't think I would graduate. I didn't think I would go that far. I thought it would really be hard. . . I'm so happy. I'm so happy." ■

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FROM OUAGADOUGOU *TO* *CAPE CANAVERAL:*

WHY THE BAD NEWS DOESN'T TRAVEL UP

by Charles Peters

Everyone is asking why the top NASA officials who decided to launch the fatal Challenger flight had not been told of the concerns of people down below, like Allan McDonald and the other worried engineers at Morton Thiokol.

In the first issue of *The Washington Monthly*, Russell Baker and I wrote, "In any reasonably large government organization, there exists an elaborate system of information cutoffs, comparable to that by which city water systems shut off large water-main breaks, closing down, first small feeder pipes, then larger and larger valves. The object is to prevent information, particularly of an unpleasant character, from rising to the top of the agency, where it may produce results unpleasant to the lower ranks.

"Thus, the executive at or near the top lives in constant danger of not knowing, until he reads it on Page One some morning, that his department is hip-deep in disaster."

This seemed to us to be a serious problem for government, not only because the people at the top didn't know but because the same system of cut-offs operated to keep Congress, the press, and the public in the dark. (Often it also would operate to keep in the dark people within the organization but outside the immediate chain of command—this happened with the astronauts, who were not told about the concern with the O-rings.)

I first became aware of this during the sixties, when I worked at the Peace Corps. Repeatedly I would find that a problem that was well-known by people at lower and middle levels of the organization, whose responsibility it was, would be unknown at the top of the chain of command or by anyone outside.

The most serious problems of the Peace Corps had their origins in Sargent Shriver's desire to get the organization moving. He did not want it to become mired in feasibility studies, he wanted to get volunteers overseas and into action fast. To fulfill his wishes, corners were cut. Training was usually inadequate in language, culture, and technical skills. Volunteers were selected who were not suited to their assignments. For example, the country then known as Tanganyika asked for surveyors, and we sent them people whose only connection with surveying had been holding the rod and chain while the surveyor sighted through his gizmo. Worse, volunteers were sent to places where no job at all awaited them. These fictitious assignments were motivated sometimes by the host official's desire to please the brother-in-law of the president of the United States and sometimes by the official's ignorance of what was going on at the lower levels of his own bureaucracy.

But subordinates would not tell Shriver about the problems. There were two reasons for this. One was fear. They knew that he wanted action, not excuses, and they suspected that their careers would suffer if he heard too many of the latter. The other reason was that they felt it was their job to solve problems, not burden the boss with them. They and Shriver shared the view expressed by Deke Slayton, the former astronaut, when he

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was asked about the failure of middle-level managers to tell top NASA officials about the problems they were encountering:

"You depend on managers to make a decision based on the information they have. If they had to transmit all the fine detail to the top people, it wouldn't get launched but once every ten years."

The point is not without merit. It is easy for large organizations to fall into "once every ten years" habits. Leaders who want to avoid that danger learn to set goals and communicate a sense of urgency about meeting them. But what many of them never learn is that once you set those goals you have to guard against the tendency of those down below to spare you not only "all the fine detail" but essential facts about significant problems.

For instance, when Jimmy Carter gave the Pentagon the goal of rescuing the Iranian hostages, he relied on the chain of command to tell him if there were any problems. So he did not find out until after the disaster at Desert One that the Delta Commandos thought the Marine pilots assigned to fly the helicopters were incompetent.

In NASA's case chances have been taken with the shuttle from the beginning—the insulating thermal tiles had not gone through a reentry test before the first shuttle crew risked their lives to try them out—but in recent years the pressure to cut corners has increased markedly. Competition with the European Ariane rocket and the Reagan administration's desire to see agencies like NASA run as if they were private businesses have led to a speedup in the launch schedule, with a goal of 14 this year and 24 by 1988.

"The game NASA is playing is the maximum tonnage per year at the minimum costs possible," says Paul Cloutier, a professor of space physics. "Some high officials don't want to hear about problems," reports *Newsweek*, "especially if fixing them will cost money."

Under pressures like these, the NASA launch team watched Columbia, after seven delays, fall about a month behind schedule and then saw Challenger delayed, first by bad weather, then by damaged door handles, and then by bad weather again. Little wonder that Lawrence Mulloy, when he heard the warnings from the Thiokol engineers, burst out: "My God, Thiokol, when do you want me to launch? Next April?"

Mulloy may be one of the villains of this story, but it is important to realize that you need Lawrence Mulloys to get things done. It is also important to realize that, if you have a Lawrence Mulloy, you must protect yourself against what he might fail to do or what he might do wrong in his enthusiastic rush to get the job done.

And you can't just ask him if he has any doubts. If he's a gung-ho type, he's going to suppress the negatives. When Jimmy Carter asked General David Jones to check out the Iran rescue plan, Jones said to Colonel Beckwith: "Charlie, tell me what you really think about the mission. Be straight with me."

"Sir, we're going to do it!" Beckwith replied. "We want to do it, and we're ready."

John Kennedy received similar confident reports from the chain of command about the readiness of the CIA's Cuban Brigade to charge ashore at the Bay of Pigs and overthrow Fidel Castro. And Sargent Shriver had every reason to believe that the Peace Corps was getting off to a fabulous start, based on what his chain of command was telling him.

With Shriver, as with NASA's senior officials, the conviction that everything was A-OK was fortified by skillful public relations. Bill Moyers was only one of the geniuses involved in this side of the Peace Corps. At NASA, Julian Scheer began a tradition of inspired PR that endured until Challenger. These were men who could sell air conditioning in Murmansk. The trouble is they also sold their bosses the same air conditioning. Every organization has a tendency to believe its own PR—NASA's walls are lined with glamorizing posters and photographs of the shuttle and other space machines—and usually the top man is the most thoroughly seduced because, after all, it reflects the most glory on him.

Favorable publicity and how to get it is therefore the dominant subject of Washington staff meetings. The minutes of the Nuclear Regulatory Commission show that when the reactor was about to melt down at Three Mile Island, the commissioners were worried less about what to do to fix the reactor than they were about what they were going to say to the press.

One of the hottest rumors around Washington is that the White House had put pressure on NASA to launch so that the president could point with pride to the teacher in space during his State of the Union speech. The White House denies this story, and my sources tell me the denial is true. But NASA had—and this is fact, not rumor—put pressure on *itself* by asking the president to mention Christa McAuliffe. In a memorandum dated January 8, NASA proposed that the president say:

"Tonight while I am speaking to you, a young elementary school teacher from Concord, New Hampshire, is taking us all on the ultimate field

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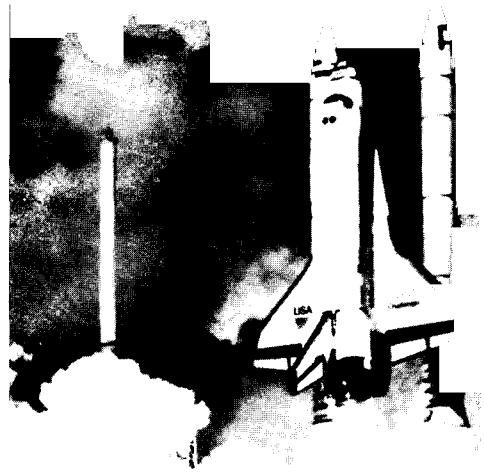
When NASA's George Hardy told Thiokol engineers that he was appalled by their verbal recommendation that the launch be postponed and asked Thiokol to reconsider and make another recommendation, he was telling them, "Don't tell me," or "Don't tell me officially so that I won't have to pass bad news along to my bosses."



trip as she orbits the earth as the first citizen passenger on the space shuttle. Christa McAuliffe's journey is a prelude to the journeys of other Americans living and working together in a permanently manned space station in the mid-1990s. Mrs. McAuliffe's week in space is just one of the achievements in space we have planned for the coming year."

The flight was scheduled for January 23. It was postponed and postponed again. Now it was January 28, the morning of the day the speech was to be delivered, the last chance for the launch to take place in time to have it mentioned by the president. NASA officials must have feared they were about to lose a PR opportunity of stunning magnitude, an opportunity to impress not only the media and the public but the agency's two most important constituencies, the White House and the Congress. Wouldn't you feel pressure to get that launch off this morning so that the president could talk about it tonight?

NASA's sensitivity to the media in regard to the launch schedule was nothing short of unreal. Here is what Richard G. Smith, the director of the Kennedy Space Center, had to say about it after the disaster:

"Every time there was a delay, the press would say, 'Look, there's another delay. . . . here's a bunch of idiots who can't even handle a launch schedule.' You think that doesn't have an impact? If you think it doesn't, you're stupid."

I do not recall seeing a single story like those Smith describes. Perhaps there were a few. The point, however, is to realize how large even a little bit of press criticism loomed in NASA's thinking.

Sargent Shriver liked good press as much as, if not more than, the next man. But he also had an instinct that the ultimate bad press would come if the world found out about your disaster before you had a chance to do something to prevent it. He and an assistant named William Haddad decided to make sure that Shriver got the bad news first. Who was going to find it out for them? Me.

It was July 1961. They decided to call me an evaluator and send me out to our domestic training programs and later overseas to find out what was really going on. My first stop was the University of California at Berkeley where our Ghana project was being trained. Fortunately, except for grossly inadequate language instruction, this program was excellent. But soon I began finding serious deficiencies in other training programs and in our projects abroad.

Shriver was not always delighted by these reports. Indeed, at one point I heard I was going to be fired. I liked my job, and I knew that the reports that I and the other evaluators who had joined me were writing were true. I didn't want to be fired. What could I do?

I knew he was planning to visit our projects in Africa. So I prepared a memorandum that contrasted what the chain of command was saying with what I and my associates were reporting. Shriver left for Africa. I heard nothing for several weeks. Then came a cable from Somalia: "Tell Peters his reports are right." I knew then that, however much Shriver wanted to hear the good news and get good publicity, he could take the bad news. The fact that he could take the bad news meant that the Peace Corps began to face its problems and do something about them before they became a scandal.

NASA did the opposite. A 1983 reorganization shifted the responsiblity for monitoring flight safety from the chief engineer in Washington to the field. This may sound good. "We're not going to micromanage," said James M. Beggs, then the NASA administrator. But the catch is that if

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you decentralize, you must maintain the flow of information from the field to the top so that the organization's leader will know what those decentralized managers are doing. What NASA's reorganization did, according to safety engineers who talked to Mark Tapscott of *The Washington Times*, was to close off "an independent channel with authority to make things happen at the top."

I suspect what happened is that the top NASA administrators, who were pushing employees down below to dramatically increase the number of launches, either consciously or unconsciously did not want to be confronted with the dangers they were thereby risking.

This is what distinguishes the bad leaders from the good. The good leader, realizing that there is a natural human tendency to avoid bad news, traps himself into having to face it. He encourages whistleblowers instead of firing them. He visits the field himself and talks to the privates and lieutenants as well as the generals to find out the real problems. He can use others to do this for him, as Shriver used me, or as Franklin Roosevelt used his wife Eleanor and Harry Hopkins, and as they in turn used Lorena Hickock* to find out what the New Deal was really accomplishing. But he must have some independent knowledge of what's going on down below in order to have a feel for whether the chain of command is giving him the straight dope.

What most often happens, of course, is that the boss, if he goes to the field at all, talks only to the colonels and generals. Sometimes he doesn't want to know what the privates know. He may be hoping that the lid can be kept on whatever problems are developing, at least until his watch is over, so that he won't be blamed when they finally surface. Or he may have a very good idea that bad things are being done and simply wants to retain "deniability," meaning that the deed cannot be traced to him. The story of Watergate is filled with "Don't tell me" and "I don't want to know."

When NASA's George Hardy told Thiokol engineers that he was appalled by their verbal recommendation that the launch be postponed and asked Thiokol to reconsider and make another recommendation, Thiokol, which Hardy well knew was worried about losing its shuttle contract, was in effect being told, "Don't tell me" or "Don't tell me officially so I won't have to pass bad news along and my bosses will have deniability."

In addition to the leader himself, others must be concerned with making him face the bad news. This includes subordinates. Their having the courage to speak out about what is wrong is crucial, and people like Bruce Cook of NASA and Allan McDonald of Thiokol deserve great credit for having done so. But it is a fact that none of the subordinates who knew the danger to the shuttle took the next step and resigned in protest so that the public could find out what was going on in time to prevent disaster. The almost universal tendency to place one's own career above one's moral responsibility to take a stand on matters like these has to be one of the most depressing facts about bureaucratic culture today.

Even when the issue was simply providing facts for an internal NASA investigation after the disaster, here is the state of mind Bruce Cook describes in a recent article in *The Washington Post*:

"Another [NASA employee] told me to step away from his doorway while he searched for a document in his filing cabinet so that no one would see me in his office and suspect that he'd been the one I'd gotten it from."

It may be illuminating to note here that at the Peace Corps I found my most candid informants were the volunteers. They had no career stake in the organization—they were in for just two years—and thus had no reason to fear the results of their candor. Doesn't this suggest that we might be better off with more short-term employees in the government, people who are planning to leave anyway and thus have no hesitation to blow the whistle when necessary?

Certainly the process of getting bad news from the bottom to the top can be helped by institutionalizing it, as it was in the case of the Peace Corps Evaluation Division, and by hiring to perform it employees who have demonstrated courage and independence as well as the ability to elicit the truth and report it clearly.

**See Political Booknotes, May 1981, page 58. Other articles concerned with the issues raised here: "The Shriver Prescription: How Government Can Find Out What It's Doing," November 1972; "How Carter Can Find Out What the Government Is Doing," January 1977; "Blind Ambition in the White House," March 1977; "The Prince and His Courtiers," March 1971; "Why the White House Press Didn't Get the Watergate Story," July/August 1973. The latter two are included in the fourth edition of* Inside the System *(Holt Rinehart), the foreword of which, by Richard Rovere, describes evaluation in the Peace Corps. More about Peace Corps evaluation can be found in* A Moment in History, *by Brent Ashabranner (Doubleday) and* The Bold Experiment, *by Gerard Rice (Notre Dame).* Blowing the Whistle *(Praeger) is a collection of* Washington Monthly *articles dealing with employees who speak up. Also see* The Culture of Bureaucracy, *(Holt Rinehart) and* How Washington Really Works *(Addison-Wesley).*

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Two other institutions that can help this process are the Congress and the White House. But the staff they have to perform this function is tiny. The White House depends on the OMB to tell it what the executive branch is doing. Before the Challenger exploded, the OMB had four examiners to cover science and space. The Senate subcommmittee on Space, Science and Technology had a staff of three. Needless to say, they had not heard about the O-rings.

Another problem is lack of experience. Too few congressmen and too few of their staff have enough experience serving in the executive branch to have a sense of the right question to ask. OMB examiners usually come aboard straight from graduate school, totally innocent of practical experience in government.

The press shares this innocence. Only a handful of journalists have worked in the bureaucracy. Like the members of Congress, they treat policy formulation as the ultimate reality: Congress passed this bill today; the president signed that bill. That's what the TV reporters on the Capitol steps and the White House lawn tell us about. But suppose the legislation in question concerns coal mine safety. Nobody is going to know what it all adds up to until some members of Congress and some members of the press go down into the coal mine to find out if conditions actually are safer or if only more crazy regulations have been added.

Unfortunately, neither the congressmen nor the press display much enthusiasm for visits to the mines. Yet this is what I found to be the key to getting the real story about the Peace Corps. I had to go to Ouagadougou and talk to the volunteers at their sites before I could really know what the Peace Corps was doing and what its problems were. I wasn't going to find out by asking the public affairs office.

But that's where most reporters go and sit all day—outside Larry Speakes's office or its equivalent throughout the government.

Because the reporters don't know any better, they don't press the Congress to do any better. What journalists could do is make the public aware of how little attention Congress devotes to what is called "oversight," i.e., finding out what the programs it has authorized are actually doing. If the press would publicize the nonperformance of this function, it is at least possible that the public would begin to reward the congressmen who perform it consistently and punish those who ignore it by not reelecting them.

But the press will never do this until it gets itself out of Larry Speakes's office. Woodward and Bernstein didn't get the Watergate story by talking to Ron Ziegler, or, for that matter, by using other reportorial techniques favored by the media elite, like questioning Richard Nixon at a press conference or interviewing other administration luminaries at fancy restaurants. They had to find lower-level sources like Hugh Sloan, just as the reporters who finally got the NASA story had to find the Richard Cooks and Allan McDonalds.

Eileen Shanahan, a former reporter for *The New York Times* and a former assistant secretary of HEW, recently wrote "of the many times I tried, during my tenure in the Department of Health, Education and Welfare, to interest distinguished reporters from distinguished publications in the effort the department was making to find out whether its billion-dollar programs actually were reaching the intended beneficiaries and doing any good. Their eyes glazed over."

I have had a similar experience with reporters during my 25 years in Washington. For most of that time they have seemed to think they knew everything about bureaucracy because they had read a Kafka novel and stood in line at the post office. In their ignorance, they adopted a kind of wise-guy, world-weary fatalism that said nothing could be done about bureaucratic problems. They had little or no sense about how to approach organizations with an anthropologist's feel for the interaction of atttitudes, values, and institutional pressures.

There are a couple of reasons, however, to hope that the performance of the press will improve. The coverage of business news has become increasingly sophisticated about the way institutional pressures affect executive and corporate behavior, mainly because the comparison of our economy with Japan's made the importance of cultural factors so obvious. And on defense issues, visits to the field are increasingly common as reporters attempt to find out whether this or that weapon works.

But these are mere beachheads. They need to be radically expanded to include the coverage of all the institutions that affect our lives, especially government. This may seem unlikely, but if the press studies the Challenger case, I do not see how it can avoid perceiving the critical role bureaucratic pressure played in bringing about the disaster. What the press must then realize is that similar pressures vitally influence almost everything this government does, and that we will never understand why government fails until we understand those pressures and how human beings in public office react to them. ■

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WHO'S WHO in the Administration

We recently asked a White House staff member who is said to be in danger of being cast out by **Donald Regan**'s chief aide, **Dennis Thomas**, whether Thomas was the new **Dick Darman**. The answer we got was that Thomas is the incompetent Dick Darman....

When Regan and **James Baker** switched jobs last year, insiders predicted that it would not be long before they began sniping at one another in the long tradition of proud men who invariably find their successors not measuring up. But until recently Regan and Baker held their fire. Now Regan has broken the truce by confiding to reporters that he thinks Baker is wrong to try to weaken the dollar further....

The reason behind **John McMahon**'s resignation as deputy director of the CIA was that he disagreed with **William Casey**'s enthusiasm for covert paramilitary operations in places like Nicaragua....

The Occupational Safety and Health Administration, which has been without a leader since last May, is out of control. The FBI is now investigating the Philadelphia and New York offices for bribery and criminally poor enforcement of toxic mercury regulations, respectively. Meanwhile, the man awaiting confirmation to head the troubled agency, **John Pendergrass**, is expected to follow the lead of the president, who, you'll recall, once proposed eliminating OSHA. If there was any doubt that Reagan still feels that way, consider **Robert E. Rader Jr.**, the nominee to the three-member panel that hears OSHA citations. Rader has written two law review articles advising employers to deny OSHA inspectors access to workplaces unless they have a search warrant—and to continue barring them if the employers haven't had a chance to contest the warrant. "Employers should realize that there is very little information that they must furnish OSHA," he wrote in one. Several of Rader's clients have been cited for contempt of court after taking this advice....

The promotion of **Robert Ortner** to undersecretary for economic affairs at the Commerce Department may have surprised some, considering his frequent dissent from the administration line. But most administrations tend over time to get less ideological in appointments and more concerned that their man can do the job....

In

WHITE HOUSE

Counsel to the President—**Peter J. Wallison** has been a partner with the law firm of Gibson, Dunn, and Crutcher in Washington.

Senior Deputy for National Security Affairs, Foreign Policy—**Peter W. Rodman** has been director of policy planning at the State Department.

Special Assistant to the President for National Security Affairs—**Colonel Robert E. Linhard** has been senior director of defense programs and arms control at the White House.

COMMERCE

Undersecretary for Economic Affairs—**Robert Ortner** has been chief economist.

LABOR

Assistant Secretary for Occupational Safety and Health—**John Pendergrass** has been hazard awareness product manager of the Minnesota Mining and Manufacturing Company.

STATE

Ambassador to Austria—**Ronald S. Lauder** has been deputy assistant secretary for European and NATO policy at the Defense Department.

Ambassador to Panama—**Arthur H. Davis** has been senior area advisor for Latin America and the Caribbean.

AGENCIES AND COMMISSIONS

President, Export-Import Bank—**John A. Bohn** has been first vice president and vice chairman of the bank.

Administrator, National Aeronautics and Space Administration—**James C. Fletcher** was administrator from 1971 to 1977 and has been a professor of technology and energy resources at the University of Pittsburgh.

Chairman, Nuclear Regulatory Commission—**Lando W. Zech Jr.** is a member of the commission.

Administrator, Veterans Administration—**Thomas Turnage** has been director of the Selective Service Administration.

Out

WHITE HOUSE

Counsel to the President—**Fred F. Fielding** has resigned.

COMMERCE

Undersecretary for Economic Affairs—**Lewis Jones** has resigned.

ENERGY

Assistant Secretary for Civil Rights—**Harry M. Singleton** has resigned.

STATE

Ambassador to Austria—**Helene Von Damm-Guertler** has resigned.

Ambassador to Panama—**Everett Ellis Briggs** has resigned.

AGENCIES AND COMMISSIONS

Deputy Director, Office of Personnel Management—**Loretta J. Cornelius** has been fired.

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WHATEVER HAPPENED TO NO-FAULT?

by Jeffrey O'Connell and Peter Spiro

Newspapers lately have been full of stories about the "liability crisis." Insurance company profits are falling, premiums are rising, and the industry and consumers alike are starting to panic. In New York City, the tram line from Manhattan to Roosevelt Island shut down because the company that insured it would not renew the policy. In Janesville, Minnesota, last year's Nativity pageant was canceled because insurance costs were prohibitive. In St. Anthony, Idaho, unaffordable insurance premiums closed down the city office building, the public library, the senior citizen center, and the snowplow service.

The liability crisis has inspired much debate about whether the enormous volume of litigation that accounts for much of the high cost of insurance ought to be restricted. Unfortunately, the question of whether to limit the right to sue can be frustratingly muddy. Do we really want to ease the pain felt by manufacturers of drugs that cause birth defects? Should architects and engineers who design buildings that collapse avoid responsibility?

Jeffrey O'Connell is a professor of law at the University of Virginia, where Peter Spiro is a notes editor of the law review.

But if the liability crisis as a whole seems to defy simple solutions, there is one substantial chunk of it that does not: automobile accident cases. In state courts around the country, automobile-related lawsuits often account for more than half the case load, driving up auto insurance premiums, delaying benefits for accident victims, and devouring dollars that might be spent compensating serious injury. Rather than spend time and money arguing in court about who is at fault when two cars happen to collide, as cars inevitably do, why shouldn't insurance companies automatically pay out benefits to any policyholder who suffers in a traffic accident, no matter what the circumstances?

This idea, of course, got a lot of attention during the 1970s under the name of no-fault auto insurance. Massachusetts passed the first no-fault law in 1970. Twenty-three other states followed suit. There even was an effort in Congress to establish no-fault nationwide. But you don't hear much about no-fault these days. When you do, the news is usually that some state government has lost faith in it. No new states have been added to the no-fault roster since 1975, and Nevada, Pennsylvania, and the District of Columbia, have

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repealed it. Conventional wisdom seems to be turning against no-fault as yet another starry-eyed liberal reform that failed.

But if no-fault is to be judged a failure—and we think it shouldn't be—the problem lies not in the idea but in its half-hearted execution. Even where no-fault has been tried, the fault-based tort system that no-fault was meant to replace usually has remained relatively unthreatened. No-fault statutes have not gotten enough victims of automobile accidents out of our courts because the lawyers won't allow it.

No fault, no fee

The case for no-fault was and remains simple and compelling: the traditional, tort law process of fault-finding gobbles up time and money that could be spent compensating people who need help. Under a pure tort system, if a driver suffers injuries from a car accident, he is not automatically entitled to compensation from his insurance company. Before he can collect, he must demonstrate to a jury that another driver was responsible for the accident. If the victim wins, the wrongdoer (actually, the wrongdoer's insurance company) must pay him not only for his out-of-pocket expenses—medical costs and the loss of wages—but also for the "pain and suffering" that results from the injury. If he loses, he gets nothing.

In contrast, under no-fault, an accident victim does not need to prove that anyone was at fault before he gets his money. A no-fault policy insures against *any* circumstance that might injure a driver. The harm might come from another driver; it might also come from the victim's own carelessness, a situation the tort system cannot address. Consider a collision with a stationary object. If you crash into a tree, you'll have a hard time convincing a jury that it ran out into the middle of a road. (Anyway, trees tend to be insolvent.) Or consider a collision with another driver that injures the driver who caused the accident. Under the tort system, if you're at fault you can't collect.

And what about the broad gray area in which most traffic accidents occur—cases where both drivers are at fault? Maybe one fellow was speeding because he was a little anxious about being late for an important business meeting. Maybe the other was looking out the window at an attractive woman who was crossing the street. The tort system's usual solution is to have the two men slug it out in court over who was more guilty. Both men will be tempted to distort the truth in order to collect; moreover, if the jury concludes that both were negligent, both men may be losers—neither may be compensated for injuries. Under no-fault, the question is irrelevant.

The difference no-fault can make in the lives of auto accident victims was illustrated dramatically by two cases cited in a 1984 issue of *Consumer Reports*. In Illinois, which operates under the tort system, 25-year-old Robert Demichelis was returning home from a basketball game at Northern Illinois University when he dozed off at the wheel. His Datsun 200SX bounced off a guard rail and smashed into a concrete divider in the middle of the interstate. Demichelis's head struck the windshield, and he suffered brain damage. His ability to reason and make judgments was sufficiently impaired that he was unable to hold a job. Health insurance covered his medical bills, but his family ended up paying for his rehabilitation treatments. At the time the article appeared, Demichelis's family had paid out $15,000. Because they had no one to sue, there was no auto insurance money to cover the cost.

The second case took place in Michigan, which has the best no-fault law in the country. Thirteen-year-old Faith Ann Glynn was riding her bicycle when a car struck her from behind. Glynn, like Demichelis, suffered brain damage. In addition to having two brain operations, she lived in nursing and rehabilitation centers for two years. But in Glynn's case, the automobile insurance company that covered the entire family picked up all her medical expenses. It didn't matter that Glynn hadn't been driving a car; their coverage extended to auto accidents that occurred when a member of the family was walking or riding a bicycle.

Of course, if Faith Glynn had been injured in a state operating under the tort system, she would have been able to sue the driver. But, practically speaking, tort awards are limited by the extent of the wrongdoer's liability coverage, which most states set at a minimum of no more than $10,000 or $20,000. (Glynn's medical bills and rehabilitation treatment, all paid by her auto insurance, came to more than $180,000.) While it's true that most people take out insurance in excess of the minimum, there's no guarantee that the fellow who crashes into you will have—and, under a tort system, it's the other guy's coverage that determines how much you collect. No-fault, by contrast, removes this anxiety, since what matters is not someone else's coverage but your own. And that coverage can be more generous because of money saved by avoiding the courtroom. (Largely

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With the repeal of no-fault auto insurance in Nevada, Pennsylvania, and the District of Columbia, conventional wisdom seems to be turning against it as yet another starry-eyed liberal reform that failed. But where we really failed was in allowing lawyers intent on protecting the costly tort system to water down no-fault.

thanks to lawyers' fees, only 44 cents of every dollar paid into liability insurance pools makes it into the pockets of accident victims.) This is not to say that no-fault is prone to granting extravagant awards. For one thing, no-fault does not reward on the basis of "pain and suffering." No-fault also caps recovery for lost wages and often subtracts compensation made to the victim under other insurance programs. Most important, payments are disbursed as medical and other bills fall due and not in the sort of speculative lump sums that make trial awards resemble a grotesque sweepstakes.

Crossing the threshold

If no-fault's virtues are so obvious, why are states now turning against it? We can begin to answer this question by looking at the half-hearted way most no-fault legislation has been drafted. Most states have chosen to water down the no-fault principle in one of two ways.

The first is to set thresholds that must be reached—most commonly, medical expenses in excess of a certain dollar amount—before an injury victim may bring legal action. The states that have adopted this form of no-fault—16 of the 24—are called "no-lawsuit" states. This is a serious misnomer. Lawsuits are routine in many of these states. The dollar threshold for medical expenses is as high as $4,500 (Minnesota) and as low as $200 (New Jersey). Obviously it doesn't take much of an injury to come away from the doctor with a $200 bill. And even when the dollar threshold is high, doctors with an eye on the "pain and suffering" jackpot, which typically pays off at three to five times the amount of real economic loss, may be tempted to pad costs. (One doctor charged with cost-padding was the proud owner of a yacht called *Whiplash.*)

A better way to set thresholds is through categories of harm—for example, those who have suffered permanent disability, serious disfigurement, or the loss of a limb. These "verbal" thresholds tend to be more restrictive than monetary thresholds, with the result that the verbal threshold no-lawsuit states—Michigan, New York, and Florida—end up having, well, *fewer* lawsuits.

The second method of watering down no-fault is to place no restrictions at all on the right to sue and merely to require insurers to sell, and in some cases drivers to buy, no-fault insurance. Eight of the 24 no-fault states have adopted this form of no-fault, including Texas, Maryland, and Oregon. In these "add-on" states, no-fault is watered down even more than in the no-lawsuit states, since the courts remain open to all accident victims.

In both the no-lawsuit and the add-on states, there is an additional problem: insurance companies are required to offer only a limited amount of no-fault coverage—in some states only a few thousand dollars. This leaves anyone with a serious injury no choice but to resort to the courtroom. An exception is Michigan, which enacted no-fault in 1975. Michigan is a no lawsuit state with a tough verbal threshold: only accident victims who can show that they have suffered "serious impairment of the bodily function" or "permanent serious disfigurement" have access to the courtroom. (Families of those whose injuries result in death may also sue.) By saving on court costs, Michigan is able to offer unlimited no-fault medical benefits; there is no cap on what victims like Faith Ann Glynn can collect from their insurer. At the same time, Michigan enjoys low auto insurance premiums: in 1983 the U. S. Department of Transportation found them to be 17 percent lower than they would have been had no-fault not been enacted.

Auto didacts

Why the compromises that have proven so damaging everywhere but Michigan? Blame a small group of self-interested professionals who see a serious threat in the passage of tougher no-fault laws. Most of the nation's trial lawyers earn their bread and butter through tort law; fees for

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auto accident cases alone top $1 billion annually. Obviously these fees are threatened by no-fault. While upwards of 80 percent of all tort cases—and certainly *all* high-stakes tort cases—require the services of a lawyer, only 15 percent of all no-fault claims do (usually for dealing with the insurance company). True no-fault would bring that 15 down closer to zero. Small wonder, then, that the lawyers have done everything they can to strangle no-fault in the crib.

The Association of Trial Lawyers of America annually doles out hundreds of thousands of dollars in political contributions, aimed primarily at issues related to tort law, including no-fault. ATLA can take much of the credit for the defeat of a bill before Congress in the late 1970s that would have required states to adopt no-fault laws with minimum coverage of $100,000 for medical expenses and $24,000 for rehabilitation. Equally important have been local groups operating at the grass-roots level, like ADOPT (Attorneys Devoted to Ohio People Totally), which targeted state legislators who favored no-fault.

Lawyers have an additional advantage in manipulating the system because they tend to be active in political campaigns. Consider the experience of one 1972 Democratic candidate for governor in a major northeastern industrial state. "In community after community," said one key aide, "we checked and found that plaintiffs' lawyers were campaign or finance chairmen. . . .They would not have tolerated a pro-no-fault stand. Our organization might well have fallen apart." Unlike, say, steelworkers, trial lawyers can organize their time schedules by obtaining continuances past election day; indeed, in election years, from November 15 on, trial calendars frequently are jammed and most courthouses look like Grand Central Station. Lawyers are also vastly overrepresented in state legislatures across the country. The brotherhood of the bar obviously is felt when it comes time for a roll call.

Of course, the trial lawyers insist that more is at stake than their own self-interest. "We don't give a damn what the cynics say," says one former ATLA president. "We want our views debated not on who represents them but on who they affect, and that's our clients, the consumers." The argument runs something like this: 1) the great common-law tradition guarantees victims their day in court; 2) by taking cases on a contingent-fee basis, whereby an attorney is paid nothing up front but instead works for a percentage of any trial awards, plaintiffs' lawyers assure that worthy claims will be prosecuted; 3) "pain and suffering" constitutes an important and real part of loss and should be accounted for in determining appropriate compensation; 4) by punishing drivers who do things we don't want them to do, the tort system deters socially detrimental behavior; 5) contrary to supporters' assertions, no-fault actually increases auto insurance premiums.

Let's set aside 1) and 5) for the moment. The problem with 2) is that contingency fees typically swallow up a third of any jury award; some lawyers go as far as to charge 50 percent. Even assuming this incentive system is fair, it does nothing to help those whose injuries come about because of their own fault (the fellow who runs into a tree or into another driver) or those who suffer in an accident where fault is not easy to assign (the fellow late for an appointment who runs into the fellow daydreaming about the woman). Indeed, the tort system makes the latter case worse since the need for each party to prove the other unambiguously guilty contradicts the legal standard for going to jury in a civil case in the first place—a set of facts about which reasonable men may disagree.

As for 3), the "pain and suffering" endured by the victim of any accident is difficult to translate into a dollar figure; indeed, the worse the suffering, the more sadly inadequate monetary compensation of any kind seems. And what about the "pain and suffering" endured by accident victims like Robert Demichelis who can't blame their fate on someone else? Should their economic needs go unmet while we grope to meet the less tangible needs of others? If we are going to spend money on people who are suffering, shouldn't we put a priority on addressing problems we can solve, like unpaid medical bills?

Moving on to 4), the punitive effect of the tort system is undermined by the fact that almost all court awards are covered by a wrongdoer's insurance, with the result that a negligent driver will feel the brunt of his sins only marginally in the form of hiked insurance premiums. Not surprisingly, comparisons of fault and no-fault jurisdictions show no statistically significant difference in the number of accidents. In the case of the criminally reckless driver, the proper solution is vigorous enforcement of criminal laws. If a drunk or excessively careless driver poses a serious menace to society, he ought to lose his driver's license or even go to jail.

The arguments that carry the most weight with the public, legislators, and state judges are those based on the "right to sue" and the alleged higher cost of no-fault. Local courts in Washington, D.C. and Florida have declared threshold requirements unconstitutional insofar as they discrim-

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The example of Michigan shows no-fault can work. By restricting courtroom access only to victims who suffer serious injury, Michigan is able to offer unlimited medical benefits while enjoying premiums that are 17 percent below what they'd be under a tort system.

inate against some claimants' opportunities to collect damages for "pain and suffering." (The issue is now moot in D.C., where the city council recently gutted its no-fault statute.) Although several consumer groups, including the Consumers' Union, the nation's largest, have come out squarely behind the expansion of no-fault, other consumer advocates—most notably, Ralph Nader—have avoided the issue, most likely because it conflicts with the notion that the right to a day in court is fundamental to keeping misbehavior in check. This is certainly true when General Motors is building Corvairs that are killing people; we wouldn't want manufacturers to escape liability for products that cause the rest of us serious harm. But the case of the lone driver, whose limbs are as much at risk as those of whomever he hits, is qualitatively different. Moreover, the success of no-fault in Michigan shows that a tough no-fault law can still leave room for those with the greatest claim of "pain and suffering" to go to court and receive additional compensation for serious disfigurement. Such people may deserve special treatment in our society, and a properly written no-fault law can accommodate them.

In addition, there's a precedent for denying court access to potential tort claimants as long as they are granted other benefits in return: worker's compensation. Worker's comp laws deprive employees of the right to sue employers for injuries occurring at the workplace but do guarantee victims adequate, if not particularly extravagant, compensation regardless of questions of fault. All 50 states now have such statutes, and imperfect though they may be (see "Adding Insult to Injury," Teresa Riordan, March 1984), nobody is suggesting a return to fault-based in that area.

As for the cost problem, it is true that car owners in some no-fault states have seen substantial increases in their insurance bills. This has been the primary reason for the repeal of no-fault laws in Nevada, Pennsylvania, and the District of Columbia. But inflated premiums are only the logical result of introducing no-fault without correspondingly restricting the right to sue. No-fault proponents have never pretended that you could save money unless access to courts was severely restricted. And, in fact, in the states with restrictive verbal thresholds—Florida, Michigan, and New York—insurance rates have been less than they would have been had no-fault not been enacted.

In spite of all the compromises, it's worth noting that even watered-down no-fault laws can claim success on several fronts. According to the Department of Transportation, no-fault compensates more people (roughly twice as many) with greater benefits (79 percent more) in quicker payments (almost all no-fault payments, as opposed to only half of all tort awards, are made during the first year following injury). No-fault also has benefited taxpayers: while no-fault hasn't reduced lawsuits as much as it should have, thousands of accident-related small claims *have* been kept out of court. Since the average jury tort case costs the taxpayers $8,300, those thousands of cases add up to millions of dollars saved. To cite just one example, during the four years before no-fault was enacted in Massachusetts in 1971, the average number of automobile accident tort cases annually was nearly 32,000; during the four years that followed enactment, that average dropped to 12,000.

There is one last benefit no-fault might bring to our society: it might cure us of the habit of minimizing our own fault and maximizing that of others. There is something depressing about a process that encourages people to behave suspiciously at best and dishonestly at worst. Lawsuits over automobile accidents, where frequently both drivers were somewhat at fault, are forums where the tendency to lie is particularly strong. Even the most public-spirited among us can find ourselves subtly distorting the truth in the courtroom. It isn't worth the queasy feeling that results. Let's give no-fault another chance. ■

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THE RULES

from "The Ritual of Wiggle," by James Boyd
The Washington Monthly, September 1970

Rule 1. Admit nothing until you know the worst; if it looks like a one-shot affair, hide till it blows over.

Rule 2. If you must speak out—confess to what is known, evade what is unknown, and cry.

Rule 3. If at all possible, give the money back—or at least give it to someone.

Rule 4. If partial confession and restitution fail to stem the headlines, arrange a quickie exoneration from a semi-respected source.

Rule 5. If the unpleasantness persists, use the "stranger in paradise" routine: You can't help it if good-hearted friends have an urge to shower you with gifts or if lucky fate strews your path with roses.

Rule 6. Insist that you would have done the same favor for any constituent.

Rule 7. At the moment of deepest personal disgrace, announce for reelection.

Rule 8. Set up a series of endorsements by prominent churchmen.

Rule 9. It's time to pick a scapegoat.

Rule 10. If newsmen persist, bolder moves are advisable: issue a statement requesting an official investigation.

Rule 11. Threaten a multi-million-dollar libel suit against your accusers but don't file it; if you must file it for tactical reasons, withdraw it before it gets to trial.

Rule 12. When judicial proceedings become inevitable, claim constitutional immunity.

Rule 13. During trial or impeachment, observe all the traditional formalities listed below:

a) Be sure your entire family, including pre-school children, attends every court session.
b) Feign illness and a sort of stunned vacuity, as if the indignity of it all is too much for your sensitive nature.
c) Emphasize how you welcome the chance to clear your name.
d) Hire expert witnesses.
e) If convicted, abandon all dignity and beg for mercy.
f) If sentenced, get assigned to the VIP hospital.
g) Don't despair. Reps. Tom Lane, Jim Curley, and Adam Clayton Powell won reelection after they were convicted.

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What a congressman should do after the FBI videotapes him soliciting a 10-year-old Arab sheik in the Tidal Basin

LET ME SAY THIS ABOUT THAT...

by Alex Heard

No historian was there to record Wayne Hays's initial response to the bomb Elizabeth Ray dropped down his pants the morning of May 23, 1976, but we can safely assume a minute-long groan and immediate, all-day loss of appetite. The chesty, well-traversed blond had told all to *The Washington Post*. Hays was giving her a $14,000 federal salary in exchange for twice-weekly "sexual services." Ostensibly a secretary, she admitted: "I can't type. I can't file. I can't even answer the phone." Ray even let a reporter listen in as the Ohio congressman told her on the phone that his recent marriage (to another former secretary) would not affect their arrangement.

A lesser man might have crawled back in bed for a week, but Hays had no time for self-indulgence. Knowing his version of "Honey, I can explain" would have to play in front of hundreds of thousands of voters, he sprang into action. There was no denying that Ray was on the payroll, but he denied everything else. "Hell's fire," he roared, "I'm a happily married man!" On day two he admitted to having had dinner with Ray the previous Monday but insisted his reasons were strictly humanitarian: ". . . she called me, said she had no money, was hungry, and was going to commit suicide." The next day he said Ray was crazy, fired her, accused the *Post* of "engaging in a personal vendetta" against him, threatened a huge libel suit, and tearfully described the "anguish" these false accusations were causing his new bride. The next day he dropped the lawsuit idea during an emotional "confession" in the House chamber. Admitting to a "personal relationship" with Ray, he denied she was paid for sex, said he originally had lied only "to protect his wife," accused the Justice Department of pursuing "a personal vendetta" against him, and "demanded" that the House ethics committee conduct a full investigation of the matter.

"Her lies must be laid bare," he sputtered, "to protect the integrity of the House." Ray, he insisted, was angry because he had ended their affair when he married. Now she was engaging in—that's right—a "personal vendetta."

To the untrained eye, Hays's actions must have seemed like the crazed, mindless flailings of an old man whose sap had risen too far. But the longtime readers of *The Washington Monthly* knew that, to the contrary, Hays was flawlessly "wiggling" out of trouble, using a set of 13 steps first described here by veteran Congress-watcher James Boyd in September 1970. (See chart, opposite page.) In a bravura flurry, Hays managed to invoke Rules 1, 2, 6, 9 (three times), 10, and 11.

Was it working? I think so. Hays's confession was greeted with an exultation of snickers in the House, but back home the voters favorably compared his performance to Richard Nixon's career-saving "Checkers" speech. Yes, it is true: Hays's wiggle ultimately failed. Stripped of his power by House members who were gleefully paying him back for 28 years of obnoxious browbeating, he resigned the following September. Yet, had he held firm, he might well have been reelected. The *man* had failed, not the rules.

But was it really that simple? When I first read Boyd's masterwork, I was stunned by the clarity and uncanny correctness of his advice as it applied to 1960s-era congressional scandals. Still, the sixties were long ago. I wondered: Could these dusty old precepts possibly apply in a post-Watergate world filled with congressmen and senators whose deeds make Adam Clayton Powell

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look like a harmless practical joker? To find out, I studied a representative sample of congressional scandals that occurred between Wilbur Mills's 1974 Tidal Basin splash and the recent "frequent flyer" case of Rep. Dan Daniel. Admittedly, my work is not comprehensive. There have been more than 50 noteworthy congressional scandals since 1970. I have, however, paused at all the major low points: Mills, Hays, Koreagate, Abscam, plus an assortment of standard financial and sex scandals.

Overall, it is clear the rules can still work; many congressmen have used them in the past 15 years to fend off conviction and gain reelection. Yet there are two facts we must remember. One is that even a mind as fecund as Boyd's could not have foreseen all that was coming. Who except Nostradamus could have predicted that so many congressmen would one day be videotaped taking cash from phony Arabs and stuffing it in their coat and pants pockets? Or that Rep. Robert Leggett would get caught keeping a wife and a mistress while carrying on a second affair with Suzi Park Thomson, all without political damage? Or that Rep. Jon Hinson, a conservative Republican from Mississippi, would win reelection after exposing himself to an undercover policeman at the Iwo Jima Memorial? Or that, given the severity of the other crimes involved, runaway boozing would become an alibi? Would he have believed it? Could he have believed it?

Today, of course, we have no choice but to believe it. In our time, the purple drama of these episodes and the increased press attention spawned by Wilburgate have pushed wiggle activity into a more advanced stage. Hence fact number two: in the post-1970 era, more congressmen were indicted, expelled, and jailed. Of the dozens of miscreants in Boyd's study, only one ended up doing a stretch. Abscam alone put several men behind bars, however briefly.

In response to these higher stakes, congressmen have concentrated more creative energy on pretrial and courtroom antics and post-conviction damage control. The slight modifications I have made in the rules merely reflect these and other new realities.

Illustrations by Andy Myer

Hide until it blows over.

Rule 1: *Admit nothing until you know the worst; if it looks like a one-shot affair, hide till it blows over.*

Hunkering down and shutting up can still work. Though Koreagate wasn't exactly a "one-shot affair"—the investigation dragged on for months—several congressmen survived it precisely because, as Boyd put it in describing earlier scandals, "they did not rush forward to testify and clear their names" when the scandal hit the papers. Despite Leon Jaworski's best efforts, the Koreagate investigation was a bust. The Korean government refused to cooperate, and there was nothing we could do about it but whine. Investigators were able to track the cash outlays of Korean rice broker Tongsun Park, but former Ambassador Kim Dong Jo never did reveal where his huge payments went. As Robert Boettcher wrote in *Gifts of Deceit*, "...there are congressmen who must get up every morning thankful for the stonewalling Park regime."

The Koreagate revelations sent only one congressman to jail: California Rep. Richard Hanna. According to Otto Passman's bribery, conspiracy, and fraud indictment, the Louisiana congressman received $213,000 from Park. But with artful stage-managing, Passman managed to get his trial moved to his hometown, where he was acquitted by a friendly jury that deliberated all of 90 minutes. By the time Park implicated Reps. Cornelius Gallagher and William Minshall, in 1978, the five-year statute of limitations on their cases had run out. Three other members who had lied about cash donations from Park were "reprimanded" in 1978. After seeing how easily other offenders got off, Hanna lamented that his guilty plea had been "foolish."

Accused of punching and kneeing a 19-year-old female cashier at an Arlington, Virginia bar brawl in 1979, future Abscam convict Michael O. "Ozzie" Myers used the rule with skill. When informed of two separate warrants for his arrest, Myers blithely replied, "I saw a little pushin' and shovin', but I didn't see no fight." Aside from

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some pro forma complaining about "media sensationalism," Myers kept his mouth shut. The matter was settled quietly. He pleaded no contest and the charges were dropped.

Later, this time panicked by Abscam's damaging videotapes, Myers devalued the rule with clumsy usage. Indicted while running for reelection, Myers said he hoped "the big lapse in time" between the initial Abscam stories and his reelection primary would cause voters "to forget about it." The rule was designed to be lived, Ozzie, not discussed.

Furthermore, the rule prescribes silence, not robotic denial. On October 9, 1974—a watershed date in wiggle history—it was reported that a drunken and bleeding Wilbur Mills was one of five people in a car pulled over for speeding "with its lights off" near the Tidal Basin and that stripper Anabell Batistella (a.k.a. Fanne Foxe) had scampered away from police and jumped in the water. He would eventually self-destruct, but Mills was reelected in November. He began his wiggle with a limp by having a staff spokesman say: "Rep. Mills was not in the car, and he knows nothing about the incident." People were still laughing the next day when Mills said he *was* in the car, that Fanne and her husband Eduardo were "old friends of the family," and that his wife would have been with them but she had just broken her foot. The mashed foot, a brilliant sympathy ploy that should have been delivered after an appropriate period of seclusion, was wasted.

Silence can be overdone, of course. In 1978, as charge after rancid charge piled up at the door of Rep. Frederick Richmond—on everything from shady campaign contributions to drug buying to helping an escaped fugitive land a congressional job—he did nothing more than hide out and issue retreaded versions of the same statement: "There is nothing to respond to." He was still muttering something to that effect when his cell door slammed shut in 1982.

Rule 2: *If you must speak out—confess to what is known, evade what is unknown, and cry.*

In its classic form, this rule requires what Boyd called "a bogus public confession of the no-longer-hideable," a la Nixon and Hays. One young prodigy, conservative Mississippi Rep. Jon Hinson, used it in 1980 to do what no man would have thought possible: win reelection in Mississippi after being busted for homosexual solicitation.

Hinson's masterstroke was to call a press conference at which he "revealed" he was one of the survivors of a 1977 fire at Cinema Follies, a Washington gay bar. In fact, the whole bucket of worms was already headed for the papers, and Hinson knew it. "I must be totally frank," he told a group of puzzled, madly scribbling reporters in Jackson, Mississippi. Hinson admitted to being "accused of committing" an obscene act in Arlington in 1976, though he wouldn't say what it was. (He had exposed himself to an undercover policeman.) Standing with his wife, Cynthia, he said gravely: "We feel some comfort in being able in a complete sense to put these incidents behind us—finally." Hinson's bold gambit worked. The locals stood behind him. One wealthy backer said: "There are folks that think we would rather have a queer conservative than a macho, all-man liberal, and they may be right."

Hinson was reelected, and he served until he was caught performing oral sodomy on a Library of Congress employee in a bathroom stall in the Longworth House Office Building.

In 1978, before he got ham-handed, Rep. Richmond used this rule expertly. A few steps ahead of his arraignment on a morals charge and a Jack Anderson column containing the more loathesome details, he mailed a "Dear Neighbor" letter to his Brooklyn constituents, telling all. He

GREAT MOMENTS IN WIGGLING 1:

Just hours before he acknowledged facing a homosexual solicitation charge, Rep. Robert Bauman read this statement into *The Congressional Record*:

"A Note of Optimism: The Permanent Things."

"I learned long ago in politics to always close on a note of hope. The harvesters are in the field on the Eastern Shore of Maryland, and the corn is coming in. It has been a bad summer, and the drought has reduced the bushel yield, but there is corn and the beans look good. Along with the coming election ads, I have already seen ads for Thanksgiving turkeys. The pumpkins have appeared at the roadside stands and the cider is on sale.

"Mr. Speaker, the other morning I heard for the first time this fall the voice of the Canadian geese, which to us in Maryland is a promise of hope and a good future. They have come home again.

"No matter what we have done here in the closing days [of this session] or have done for the last two years, perhaps this Congress ought to think about these things, too. They are, perhaps, more enduring and permanent."

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had solicited a young man and, later, an undercover police officer. Richmond agreed "to seek professional treatment" and the charges were dropped. Back home, according to *The New York Times*, the man on the street applauded his "frankness and truthfulness." He was reelected easily in November.

Rule 3: *If at all possible, give the money back.*

In 1984, when his role in the sale of Washington's Hay-Adams hotel threatened to blow up in his face, Senator Howard Metzenbaum handled it like a pro. (Metzenbaum had to act quickly—he was still in the thick of leading the Senate investigation into Edwin Meese's funny loans.) The hotel's Cleveland owner, a long-time friend of Metzenbaum and a frequent campaign contributor, said the senator had "precipitated" the sale by telling him that the Murdock Company was interested in the property. For a flip through his Rolodex and one phone call, Metzenbaum got a $250,000 "finder's fee." Still insisting the transaction was legal and ethical, he returned the money. "I have been in public life long enough to know that reality and perception can easily be confused," he said.

More recently, Virginia Rep. Dan Daniel used this rule. In February, the House ethics committee said Daniel violated House rules by accepting at least 68, and possibly 200, free flights from Beech Aircraft Corp. while urging the Pentagon to buy Beech airplanes. But because Daniel reimbursed the company when the matter surfaced, the committee obligingly (and unanimously) voted not to penalize him.

When he learned of his pending indictment in Abscam, Rep. Richard Kelly returned his $25,000 bribe to the FBI, making much noise about the fact that "there was only $174 gone." He said he was holding on to the money as part of his own investigation into "shady" Capitol Hill goings-on. Unfortunately, this time it didn't work. He was convicted.

GREAT MOMENTS IN WIGGLING 2:

From a *New York Times* story on the salary kickback case of Rep. Charles Diggs Jr.:

"Mr. Diggs, who is 55 years old, has been divorced twice and married thrice, has fathered six children and has had running battles with banks and creditors over the cost of supporting two homes and so many people on his $57,00 salary.

"'People in the 13th [District] can relate to those problems,' said William Beckham, Detroit's former deputy mayor. . . ."

Rule 4 (replaces old rule 4): *Hold a legal-defense fundraiser.*

Boyd's "quickie exoneration from a respected source" is not used much anymore, probably because it's not particularly useful when, as is often the case, one's problems are already in the hands of a grand jury. I recommend a new emphasis on the handy legal-defense fundraiser. There are two basic types: celebrity-packed and constituent-packed, both with worthwhile features.

a) They can be lucrative. Rep. Charles Diggs Jr., accused of padding his staff's salaries and then requiring them to pay his bills, netted $26,000 from two fundraisers in 1978.

b) They provide an invaluable forum for righteous chest-beating and, more important, touching statements from Ma and Pa constituents. "Even if he goes to prison," said a certain "Sister Gertrude" at a $50-a-plate dinner for Rep. "Dapper" Dan Flood in 1978, "I'd still vote for him as long as he runs."

c) To avoid "media persecution" charges, the press is obliged to report on all these mawkish, misleading testimonials.

A caveat: Do not over-produce these benefits. In another fundraiser for Rep. Flood, who by then was up to his waxed moustache in a sludge-pot of bribery and conspiracy charges, we find a case study of what not to do. Flood's friend, William A. Reishtein, set up a double reception at the Treadway Motor Inn near Wilkes-Barre. Ten-dollar contributors were shunted into one room, where they got two drinks and a swift pass at a skimpy buffet table, while Lefty and the Polka Chaps played "The Beer Barrel Polka." One-hundred-dollar contributors in another, larger room got the Lee Vincent Orchestra. Reishtein expected 30,000 to 40,000 supporters, but only 61 showed up. Why? Reishtein blamed the excellence of his plans. Because the local radio stations had been talking all day about the huge crowds expected, people were frightened and stayed away.

Rep. Diggs's first benefit provides a better model. Held at the Museum of African Art in Washington, D.C., the guests included Detroit Mayor Coleman Young, Jesse Jackson, Rep. Charles Rangel, and D.C. Delegate Walter Fauntroy. The food, like the guests and atmosphere, was quietly toney. While sipping white wine and nibbling on canapes, the guests (and reporters)

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heard stirring renditions of the two major Diggs defense themes: Diggs was a very nice man of impeccable personal character, and Diggs was a victim of racist scapegoating.

"The name 'Adam' kept popping up," a *Post* reporter wrote. "The invocation of this name symbolized a widespread feeling, shared by many in the white minority among those present, that the indictment of Diggs was part of a pattern familiar from the downfall of Adam Clayton Powell in the late sixties."

"We are living in very perilous times," said Rep. Ralph Metcalfe. "I've been investigated; many black leaders have been investigated. If you think history can't repeat itself, you are sadly mistaken."

True, every other black in Congress was *not* under investigation at that time, and yes, Diggs was eventually convicted by a jury with 11 black members, but forget the "facts" for a moment and give this tactic the admiration it deserves. Diggs had launched his defense with the pomp of a major campaign rally.

No doubt about it, Diggs had style. He persuaded Coretta Scott King and Andrew Young to testify as character witnesses at his trial, and Gerald Ford offered to send a videotaped testimonial from Palm Springs, but the judge wouldn't allow it. (A shame. Just imagine Ford saying, "Charlie, I couldn't be there for your trial, but I just want you to know. . . .") Even the prosecuting attorney admitted: "If this were a testimonial dinner, we could all applaud Congressman Diggs for his accomplishments."

Rule 5: *Use the "stranger-in-paradise" routine.*

Boyd pointed out that "people accept the fact that politicians, like movie actors, live in a world where fantastic things happen." Rep. Diggs invoked this one when he fobbed off his $101,000 in kickbacks as "friendly loans," describing one employee's largesse as "just her willingness to help me out." Diggs's attempt was a little bald. Style is important with this rule; it's best to have someone else give the "good friend" quotes while you act as a silent sympathy magnet.

Any congressman could have benefited from attending the stranger-in-paradise clinic put on by Edwin Meese during his confirmation hearings in 1984. After a year-long investigation of Meese's tangled finances, the Senate Judiciary Committee more or less threw up its hands and sighed "Yeah. . . okay" to the argument that there was nothing unusual about so many of Meese's friends winding up with government jobs after giving him low- and no-interest loans. After all, who besides these senators were in a better position to understand that Meese moves in a magical world where banks give fourth mortgages to borrowers who have already missed 34 payments on three earlier loans? "I didn't have any special consideration," Meese told the committee, and nobody laughed.

Say it was all a misunderstanding—or a joke.

When Rep. Bill Boner of Tennessee entered Congress in 1979, his only asset was half-interest in a piece of property worth $15,000. Since then he has managed to acquire holdings, mainly in real estate, worth more than $2 million. The secret? Two Nashville *Tennessean* reporters who have been following the story for months discovered that Boner's friends are people who care about people. Gary Price, a Nashville real-estate developer, gave Boner 5 percent interest in an $18 million hotel for the low, low investment price of $5. For $50, another buddy gave Boner 5 percent interest in a Shoney's in Richmond, Virginia. Price said the good deal came about simply because Boner "means a lot to me." Sniff.

Rule 5a: *Say it was all a misunderstanding—or a joke.*

Rep. Myers insisted that the joke was on the Arabs, that he had no intention of "doing anything" in return for the $50,000 bribe he took. "Keep in mind," his defense attorney said, "the only thing he ever did was take the fat Arab's money."

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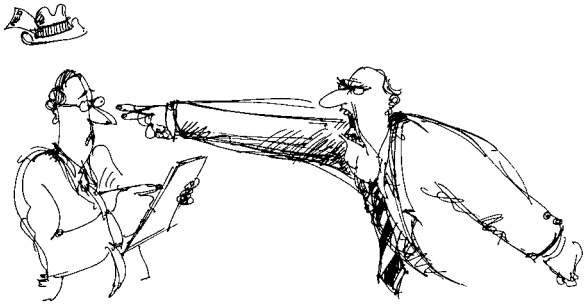

It's time to pick a scapegoat.

"It seemed like a chance to pick up some easy money," Myers added, nostalgically invoking Rule 5. "It seemed like a fairy tale."

Senator Harrison Williams clearly used this rule when he implied that the phony Arab sheik who offered him $50,000 was just a nice, lonely guy who did not understand American folkways and wanted to make friends. "It was all baloney," Williams said of a tape that showed him agreeing to use his influence with the White House to get contracts for a titanium mining venture in which he would have hidden interest. "If I'd given thought to what they were really saying, as I am now, I certainly would have had to throw up my hands and say, 'Forget the whole thing.' "

Rule 6 (replaces old rule 6, incorporates rules 7 and 8): *When the situation begins to deteriorate rapidly, try a combination of these techniques: feigned illness, seclusion, hospitalization, and religious awakening. Emerge flanked by a preacher and your wife and state your determination to overcome your personal problems and the government's sneaky attack. Do* not *forget to emphasize that you are now fully cured.*

The centerpiece of the modern wiggle is the dramatic show of fall and redemption. Though it is best to give a prolonged, comprehensive performance, isolated scenes also work well at any stage of the game.

Three days after the Tidal Basin episode, Wilbur Mills called in sick. Right after he appeared on stage with Fanne Fox at Boston's Pilgrim Theater, he checked into Bethesda Naval Hospital for "exhaustion" treatments. Not long after that, his staff announced he had a serious drinking problem.

As soon as he finished his morals charge plea, Rep. Richmond leaped into an idling car and sped off to seclusion. As quickly as possible after his Longworth arrest, Rep. Hinson checked into Sibley Memorial Hospital for "counseling and treatment" for "dissociative reactions brought on by the intense emotional and physical exertion" of two years in Congress and his reelection campaign.

When reports of his 1977 visits to a Des Moines health club offering "nude encounters" hit the papers, Senator Roger Jepsen admitted the incident, saying it occurred just before he made a permanent "commitment to Christ."

Reps. Mills, Robert Bauman, John Jenrette, Myers, Richmond, and Flood are just a few of the congressmen who have blamed their problems on alcoholism. As soon as Abscam was made public, Jenrette packed himself off for the six-week cure at Bethesda Naval Hospital with the announcement: "Mr. Jenrette is confident that he will overcome his illness. He reaffirms that he is a candidate for reelection." Myers blamed his trouble on "two 16-ounce glasses" of "FBI bourbon." "I'm really getting under the weather there," he said, while watching himself discuss bribes on tape. "What can I say about it? It's embarrassing even to watch it."

During his first trial (which ended in a mistrial), Rep. Flood presented himself as a teetotaling family man. Later, trying to avoid a second trial, he suddenly became a walking medicine chest with a "decade-long" dependence on barbiturates, Valium, Sinequan, Demerol, opiates, and alcohol. At a competency hearing, his physician testified: "I *think* he can understand the nature of the charges, but I'm not sure he understands the ramifications."

This list could go on and on and on. But let us pause to savor the complete act of a single desperate man. In 1980, Rep. Bauman, a right-wing conservative who had done quite a bit of gay-bashing in his day, was caught soliciting sex from a 16-year-old boy one month before his reelection bid.

The dizzying pace of his attempt to prove that alcoholism had "driven him" to do it was foreshadowed by this all-bases-covered reaction quote from the state chairman of the Maryland Republican party: "Wow! I didn't know anything about it. I'm shocked. It's sad. I'm glad he's over the illness, or at least on the road to recovery. I just hope the people of the 1st District will understand he's been through his own private hell and will remember his service to them and return him to Congress."

After pleading innocent and agreeing to enter a court-supervised program for first offenders, Bauman proclaimed that his problems stemmed from "acute alcoholism." His statement was a

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dense masterpiece of phony mea culpa: "Last winter my drinking problem reached what I now realize to be the stage of acute alcoholism, although I did not know it at the time." With the help of his wife, family priest, doctor, and Alcoholics Anonymous, he said, "my own alcoholism is now under control and sobriety restored. Equally important, I have confessed my sins, as my religion requires, and I am in the state of grace and will remain so with the help of God."

Vexed by statements from his family doctor and several friends who said he hardly drank at all, Bauman went into seclusion and reemerged several days later in his hometown church.

Then came the true challenge: Bauman had to convince voters that, while alcohol had rendered him completely powerless in terms of his personal actions (indeed, he did not remember them), it had not affected his performance as a legislator. This one was like walking through a minefield in snowshoes. Bauman said he had "such an allergic reaction to alcohol" that even a small amount was enough to convert him to a boy-starved Mr. Hyde. "Even a little beer could trigger the change," he said. Yet, at the same time, "my personal conduct had nothing to do with my office conduct as a member of Congress. The drinking occurred away from my office duties and did not impair my work."

By now Bauman was confident enough to lash out at his always-unnamed accusers. "I should be judged on my record, not on my personal life!" "Months ago I overcame my twin compulsions—alcoholism and homosexual tendencies—only to have them reemerge [in the form of accusations] months later!" Vowing never to return to "the personal hell" he created, he predicted victory. "Quite simply," a backer said, "he is one of the more courageous men I have ever known."

An inspired try. Unfortunately, only 48 percent of the voters bought it.

Rule 7 (formerly rule 9): *It's time to pick a scapegoat.*

Just as important today as in Boyd's time. In addition to racists, unseen accusers, and midnight assassins, the classic choices include:

a) The media. It is required that every pol in trouble snarl that "the blood-lusting media" are out to get him. Hyperbole is mandatory. "It is political suicide to criticize the press in this country," said Senator Edward Brooke in response to reports that he had illegally taken several thousand dollars in income-tax exemptions by claiming two married daughters as dependents, "but I will risk it." Rep. Hinson said "a few members of the press" (the ones who kept asking for specifics about his morals charge) were engaging in "journalistic terrorism, vilification, and speculation which offends every concept of human decency."

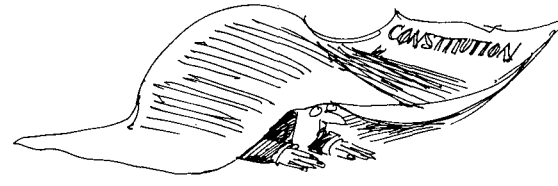
b) The opposition party, or political opponents in general. No matter when it occurs, most politicians note that their indictment was mysteriously "timed" to harm their reelection chances. A Flood backer blamed "jealous" members who disagreed with the congressman's views on the Panama Canal. Rep. Diggs said of his primary opponents: "Opponents? Yes, I have opponents. They are like wolves! They taste blood because they know the devil is after me."

c) Your own accusers. In a technique that anticipated John De Lorean's successful defense, the Abscam defendants all focused on Melvin Weinberg, a convicted con man whom the FBI used in its fake scenarios. It didn't make sense, but one thrust of the Myers defense was that Weinberg was pulling his own "sting" of the FBI and that he had "conned" the agency and the defendants into "play acting" in his "phony drama."

Rule 8 (formerly rule 12): *Claim constitutional immunity.*

The issues involved here are slightly weightier than former Senator Jepsen's claim that "congressional immunity" gave him the right to drive to work alone in the High Occupancy Vehicle lane. (The Constitution provides that members of Congress cannot be interfered with on their way to Washington or held accountable for anything they say on the floor.)

In 1979, citing the speech and debate clause of the Constitution, the Supreme Court ruled that prosecutors could not use former Rep. Henry Helstoski's legislative acts as evidence in his bribery case. Helstoski was defeated in 1976 after being indicted for soliciting and accepting bribes in return for introducing private immigration bills. In 1980, when he had occasion to gloat about the dismissal of the last of the charges



Claim constitutional immunity.

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against him, Helstoski was serving as grants administrator for Bergen County, New Jersey.

The Adam Clayton Powell Supreme Court case established the doctrine that no person elected to Congress can be excluded for any reason other than failure to meet the requirements of age, residence, and citizenship. After his conviction on 29 counts of mail fraud and making false statements, Rep. Diggs was easily reelected, and he remained in office until he exhausted his appeals. He finally resigned before going to jail.

When Rep. Myers became the first House member expelled since 1861, he vowed that, if reelected, he would return and demand his seat. It was clear from the Powell case that Myers would be eligible to take the oath and resume his seat. But could the House then expel him again? We don't know. Myers never made it back, and the issue became moot.

Rule 9 (formerly rule 13): *During trial or impeachment proceedings, observe all the traditional formalities listed below—but don't be afraid to improvise.*

a) Never appear in public without your wife. She will file for divorce if you are convicted, but until then, do whatever it takes to persuade her to stay "on the team." She may even manage to benefit from the arrangement. Maureen Dean, for example, parlayed this visibility into book contracts for her autobiography, *Mo*, and her forthcoming novel, *Washington Wives*.

b) Continue feigning illness. During his brief trial, former Rep. Passman entered the courtroom each day leaning on a cane and supported by his lawyers. After the favorable verdict was announced, he ditched the cane, said "I've made an amazing recovery since last night," and joined the defense lawyers for a song and dance.

GREAT MOMENTS IN WIGGLING 3:

"Bible Texts Applicable to Abscam," from a full-page ad taken out by 37 clergymen:

"They that forsake the law praise the wicked: but such as keep the law contend with them." (Proverbs 28:4)

"Shall the throne of iniquity have fellowship with thee, which frameth mischief by a law?" (Psalms 94:20)

"A wise king scattereth the wicked, and bridgeth the wheel over them." (Proverbs 20:26)

"The wicked desireth the net of evil men: but the root of the righteous yieldeth fruit." (Proverbs 12:12)

c) Dare to be different. When the prosecution confronted him with a tape of himself saying, "Money talks and bullshit walks. . .and it works that way down in Washington," Rep. Myers replied, "I have no knowledge of it working that way down in Washington."

d) In fact, if your case involves videotape, go for broke and try anything. Rep. Kelly contended all along that he had been conducting his own investigation of "shady characters." "The FBI blew my case," he screamed. "When they blew their cover, they blew mine."

e) If convicted, continue to maintain your innocence but abandon all dignity and beg for mercy. After his conviction, Diggs's lawyers filed a brief stating that the congressman would "prefer lecturing high school students about the criminal justice system" over going to prison. The request should be granted, they said, because "there is no likelihood of further crime—the results of this trial will surely deter him from becoming involved in any similar conduct," and because the conviction "was a particularly painful blow to Mr. Diggs's mother."

"His misdeeds, shame, and public humiliation have been exposed in the news media all over the country," the brief continued. "That is sufficient punishment to impose on this public official who had before this trial enjoyed an unsullied reputation."

f) Don't despair—you won't be in jail long, and you'll probably land on your feet. Dan Flood's sea of charges eventually evaporated into a misdemeanor and one year of probation. Former Rep. Joshua Eilberg, who denied everything while running for reelection, eventually pleaded guilty to charges of illegally accepting money for helping his former law firm obtain a $14.5 million federal grant for a Philadelphia hospital. He got five years' probation and a fine.

Though he was convicted, expelled, and jailed for two years, Harrison Williams was allowed to pocket $70,000 in leftover campaign funds, and he still receives a $45,000 Senate pension.

Diggs served less than a year and moved into a temporary job with the Congressional Black Caucus in Washington. Right after he resigned, Bauman was put on the congressional payroll for two months as a $1,000-a-week consultant to the House Republican leadership. Former Rep. Jenrette sold real estate for three years before he was finally jailed. Two years after he resigned, Wayne Hays was elected to the Ohio House.

g) Stand tall. After he was expelled from the House, Rep. Myers told reporters: "I am leaving Washington and going back to America." ■

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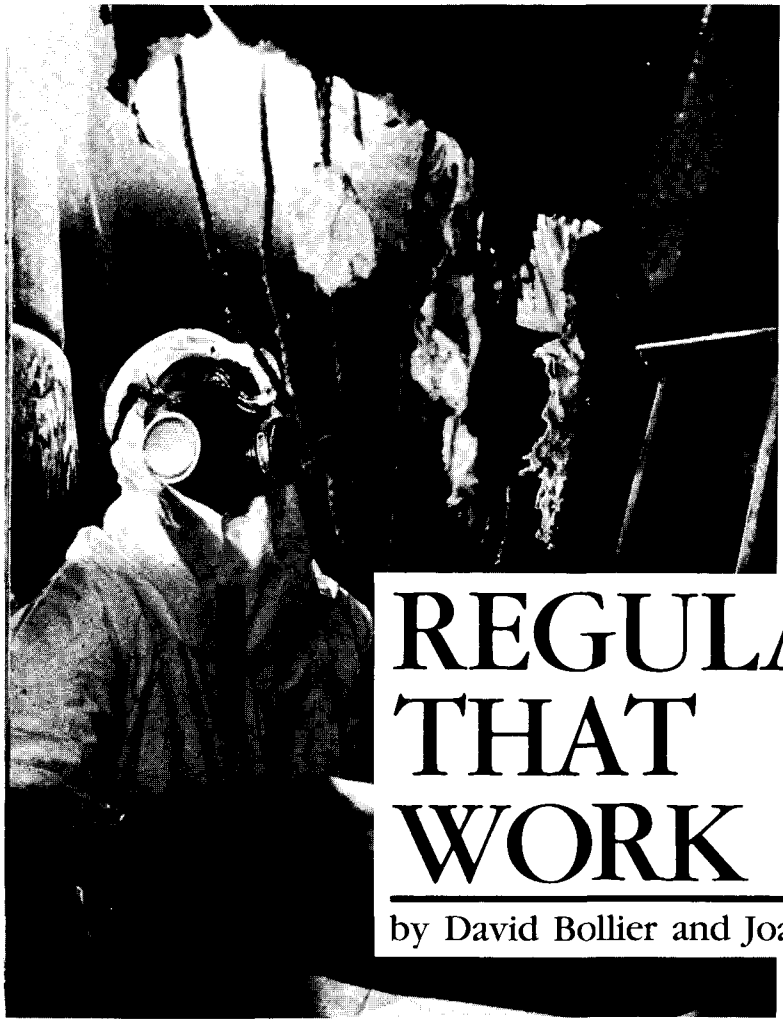

Removing asbestos in a Brooklyn hospital boiler room. Photo: © Pat Goudvis 1981

Ten Rules That Have Made Our Lives Better

REGULATIONS THAT WORK

by David Bollier and Joan Claybrook

When Jonas Salk discovered a vaccine for polio, the news was welcomed by *The New York Times* as "one of the greatest triumphs in the history of medicine." The serum's widespread use lowered the incidence of polio from 21,000 cases in 1952 to fewer than 900 in 1962. Thanks to Salk, proclaimed the cover of *Time* magazine, "generations will grow up free."

Salk's considerable achievement drew praise because it was the work of one easily identifiable hero against a disease that was widely known and feared. We are not so quick to support great potential strides in public health when they are made by the federal government and when they take on not bacterial but man-made killers. In 1984, for example, the Environmental Protection Agency proposed a new rule to reduce the amount of lead in regular gasoline. The rule, which went into effect in March 1985, will protect an estimated 50,000 children from brain damage due to airborne lead. But because those responsible for this regulation were anonymous bureaucrats, and because the hazard being fought was not an identifiable "disease," there were no brass bands—only a quick blip on the evening news.

Regulators have not always been quick to respond to health and safety hazards, and when they have, the results often have been disappointing. In many cases, however, the federal government has made great strides toward removing or at least reducing dangers that affect us all. These success stories have gone unsung, particularly in the present conservative climate, where it has become fashionable to denounce all regulation

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Between 1959 and 1961, approximately 10,000 babies in more than 20 countries were born with serious deformities because their mothers had taken a new sedative, thalidomide, during pregnancy. But because a skeptical officer with the Food and Drug Administration withheld full approval for the drug in the U.S., tens of thousands of birth defects were prevented here.

as inherently meddlesome. With a president in office who has shown himself unabashedly hostile to regulation and a Congress entering the tight-fisted era of Gramm-Rudman, it's worth considering instances where federal regulators, no less than Dr. Salk, have saved American lives. Herewith, we submit ten regulations that have made a difference.

I. Safe Drugs: Pre-Market Testing

There's a reason why you cannot buy "Hamlin's Wizard Oil" or "Warner's Safe Cure for Diabetes" at your corner drug store. Nearly 50 years ago, the Food and Drug Administration determined that these once-popular "medicines" were worthless and banned their sale. Ever since, consumers have been spared costly frauds and, more importantly, serious illness, drug addiction, blindness, and death caused by quack medicines.

In 1938, 100 people, many of them children, experienced slow, agonizing deaths from a special elixir used to treat streptococcal infection. The next year Congress gave the FDA authority to review and approve drugs before they go on the market. The FDA now requires the pharmaceutical companies to perform rigorous tests, the results of which the FDA scientists review. Although drug companies often complain about the lengthy process, the FDA's drug approval system has saved thousands of lives and prevented millions of adverse drug reactions.

Between 1959 and 1961, for example, approximately 10,000 babies in more than 20 countries were born with serious deformities because their mothers had taken a new sedative, thalidomide, during pregnancy. American women who obtained the medicine from Canada and Europe or participated in investigational tests were affected as well. A skeptical FDA medical officer withheld full approval, preventing tens of thousands of birth defects in the U.S. The FDA has screened out other medications that have caused deaths and injuries overseas. For example, it refused to approve isoproterenol inhalers—used to relieve asthma—which caused the death of 3,500 children in England and Wales in the 1960s. It also banned Stalinon, an ineffective treatment for boils that killed more than a hundred patients in a small French town in 1954, and Aminorex, an appetite suppressant marketed in Europe, which caused an epidemic of primary pulmonary hypertension and 26 deaths.

II. Safe Food: Slaughterhouse Inspections

The serious problems with meat slaughterhouses and packinghouses first came to public attention in the early 1900s when Upton Sinclair's muckraking novel, *The Jungle,* and subsequent congressional hearings revealed revolting conditions: filth on meat, standing water that could breed disease, inadequate toilet facilities for workers, and meat-borne diseases. Much of the burden for preventing such conditions falls on the Department of Agriculture (USDA) slaughterhouse inspection program. First, the department must approve the blueprints of a new plant to ensure that it meets sanitation standards. Water supplies, for example, must be safe from contamination, and slaughterhouses no longer may have wooden floors, which can rot, spawning disease. USDA inspectors check cattle, sheep, swine, goats, and other livestock for diseases that may be difficult to detect after slaughter, like rabies and listeriosis. For the slaughter, the USDA stipulates methods that are both sanitary and humane. Don Houston, administrator of the Food Safety and Inspection Service, notes, "We have very specific procedures that a company must follow to make sure that manure is not released on the carcass. For certain cuts, you have to tie off certain body orifices, etc." To be sure that the standards are adhered to, USDA inspects carcasses after the slaughter.

Data on diseased carcasses is collected daily and fed into the USDA's Livestock Disease Reporting System, which monitors disease patterns

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and checks how thoroughly inspections are being performed. With this specific information, inspectors can identify diseases that are confined to certain parts of the country or breeds of livestock.

Budget cuts have reduced the Food Safety and Inspection Service inspector corps by 300 to roughly 7,300, while the number of plants they need to inspect has gone up by 200.

III. Safe Cars: Auto Recalls

Before 1966, auto manufacturers who produced defective cars had nothing to fear from the federal government. Only state product liability laws put pressure on them to warn consumers or to correct defects, and the pressure was minimal. When cars needed to be recalled, a manufacturer simply sent letters to customers suggesting that they take advantage of the company's "customer relations program" to bring their cars to the dealer for a general checkup; no mention was made of a defect that might threaten the car owners' safety.

Since the creation of the National Highway Traffic Safety Administration (NHTSA) in 1966, the industry no longer can leave motorists in the dark. Automakers must now inform each car owner specifically about safety-defect recalls. During the Carter administration, the NHTSA set up a toll-free hotline for car owners to find out if their automobile, or any of its components, has been recalled. They can also use the hotline to report a problem with their car. By compiling defect complaints by year, model, and make of vehicle and combining this data with the hundred thousand or more complaint letters the agency receives each year, the NHTSA can spot previously undetected problems. When a number of similar complaints are lodged, the agency begins an investigation that may lead to a recall.

Recalls have had a direct impact on public safety. Since 1966 more than 100 million vehicles and equipment with potentially dangerous defects have been recalled by manufacturers. For example, NHTSA forced the recall of eight million Firestone 500 tires after it had documented at least 50 deaths and several hundred injuries resulting from a design defect in which the steel belt did not bond to the tire carcass.

Unfortunately, today recalls rarely make the news. Since Reagan took office, NHTSA has made an average of 154 recalls annually for six million automobiles compared to an average of 244 recalls for 7.2 million automobiles in the previous ten years.

IV. Safe Driving: Motorcycle Helmets, Seat Belts, and Air Bags

The probability of a motorcyclist being killed is 10 to 15 times greater per mile than that of a passenger in an automobile, and about 70 percent of motorcycle fatalities are from head injuries. One way to fight these grim odds is to wear a helmet: unhelmeted riders are at least three times more likely to incur a fatal head injury than helmeted riders. In 1966 the NHTSA started leaning on the states to require motorcyclists to wear helmets. States that failed to enact helmet laws could be penalized by reductions in precious federal highway funds. By the end of 1975, all but three states had complied.

The success of this regulation is, sadly, easy to measure. In 1976, Congress struck the helmet law requirement from the books, allowing states to repeal their helmet laws without loss of federal funds. Over the next three years, deaths from motorcycle crashes jumped 48 percent, or 1,832 more fatalities, a disproportionate number occurring in the 27 states that had either repealed or weakened their helmet laws. Only then did states take the message to heart and stop repealing the laws. Libertarians point to motorcycle helmet laws as an example of government intrusion into personal decision-making. The real question, though, is whether it is in society's interest to pass a law that can save 1,832 lives.

In 1974 the Department of Transportation took a major step toward protecting car passengers by requiring air bags or automatic seat belts. But as the federal government retreated from motorcycle helmet laws, it also tried to dump the passive restraint standard. After the U.S. Supreme Court, in 1983, overruled Reagan and ordered the federal standard reissued, Reagan added a new twist. Transportation Secretary Elizabeth Dole announced that the requirement would be rescinded if states comprising two thirds of the population passed by April 1989 seatbelt laws that meet certain criteria. The auto industry has launched a $20 million campaign to enact the laws and avoid the passive restraint requirement.

Twenty states have passed seatbelt laws, but none of the laws meet the minimum criteria. The Insurance Institute for Highway Safety estimates that in New York, the first state to pass a mandatory seatbelt law, motor vehicle fatalities declined by 9 percent in the first nine months after passage (that is 75 lives saved). It is estimated that, if instituted nationally, seatbelt laws could save 4,400 deaths and prevent 73,000 injuries annually. But statistics from the states

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that have passed the laws show an increase in seatbelt use immediately after passage and then a decline as enforcement slackens. Usage averages below 50 percent.

While seatbelts are better than nothing, air bags offer protection to car occupants who do not use seatbelts (teenagers and drunk drivers are least likely to wear seatbelts and most likely to have an accident) and provide those who do wear seatbelts the head and facial protection needed in a crash over 20 miles per hour. Passive restraints (including air bags) could save 9,000 lives and prevent more than 150,000 injuries annually, twice the estimates for seatbelts alone.

V. Clean Air: Industrial Pollution

Before the 1970 Clean Air Act, American industry dismissed air pollution as either negligible or the inevitable price of progress. "Particulates" —better known as smoke, soot, and invisible dust —poured into the air, aggravating asthma and heart disease and carrying carcinogens, toxic gases, and heavy metals into people's respiratory systems. Electric utilities burned high-sulfur coal and oil; owners of apartment buildings vented incinerator smoke into the open skies; factories, refineries, printing plants, and other industrial enterprises had become so accustomed to pollution-prone production methods that the prospect of cleaning up the air seemed unlikely.

In barely a decade, though, the EPA has made dramatic progress in cleaning up the air. The particulate levels in Birmingham, Alabama, for example, were more than double the primary health standard in 1972. By mid-1976, annual emissions from stationary sources had dropped 83 percent, from 155,000 tons to 26,000 tons. Sulfur dioxide levels in Washington, D.C. are now half their 1960 levels and the pulp and paper mills of New Hampshire and Maine pour less than one-tenth of the particulates into the air than they did prior to 1970.

The EPA has three tools for reducing air pollution. The "new source performance standards" require that a new factory have the most mod-

WHY ANNE BURFORD GOT THE LEAD OUT

One area where the Reagan administration has strengthened protections of health and safety is the regulation of lead in gasoline. But the Environmental Protection Agency's support for tough lead standards did not arise out of a sudden agreement with environmentalists. Rather, the EPA came to see that some business interests might actually benefit from strong environmental regulation. The case of lead standards is a classic example of how regulation often creates winners and losers even within a particular industry and how this knowledge influences public policy.

Early in the Reagan administration, Anne Burford, the ambitious new administrator of the EPA, took seriously her presidential mandate to get her agency off the back of business. "Regulatory relief" for the business community was a high priority of the new administration. In his first months in office, President Reagan issued an executive order requiring that a cost-benefit test be applied and met by all regulatory proposals. He also established a highly visible Task Force on Regulatory Relief, chaired by Vice President George Bush (a former oil industry executive), to identify existing regulations that could be relaxed. The EPA quickly emerged as a major target, and on August 12, 1981, the Task Force directed the agency to examine the existing regulations aimed at phasing down the use of lead as a gasoline additive.

The EPA commissioned an economic study. In a November 30 memorandum to Burford, Joel Schwartz of the Energy Economics branch reported that a relaxation of standards would save industry approximately $133 million. This saving would not be uniform for all competitors. Rather, the large refiners who had already made major investments in alternative technologies would save approximately one-tenth of a cent per gallon while small refiners would save, on average, nine-tenths of a cent. For petroleum refiners this difference was substantial.

Understandably, environmentalists were not enthusiastic about any relaxation of these hard-won standards. The position of industry, however, was more complicated and less easy to understand. The National Petroleum Refiners Association (NPRA) supported relaxation—but with some reservations related to what they felt were "loopholes" in the rule the EPA had proposed.

Robert A. Leone is a lecturer on public policy at Harvard University's John F. Kennedy School of Government. This article is adapted from his forthcoming book, to be published in May, Who Profits: Winners, Losers, and Government Regulation. *© 1986 by Basic Books. Reprinted with permission from Basic Books.*

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ern pollution control devices. As new plants with stricter controls gradually replace old ones with less effective, obsolete controls, a region's air quality improves over time. The EPA established industry-by-industry standards, but in 1982 the Reagan administration removed 12 types of industries from the list of those needing regulation.

The "emissions offsets" require that if a company in an already highly polluted area is opening a new facility that will increase the pollution, it has to reduce pollution within its existing facility or convince another polluter to reduce its output. Thus, when General Motors proposed a new assembly plant in Oklahoma City, it, with the help of local officials, paid local oil companies to reduce their pollution emissions. The offset policy successfully allows polluters to establish a market price for "pollution rights." Air pollution has become a commodity that companies can buy, sell, trade, and even bank, and businesses have an incentive to efficiently meet the EPA's pollution standards. The Reagan administration, however, has drastically weakened the offset program. By making some changes within the regulations, the administration has enabled companies to get away with increasing the pollution level a certain amount and not having to use state-of-the-art pollution control technology.

The third tool is the EPA's "prevention of significant deterioration" program, which keeps industries that dislike strict cleanup requirements in one state from relocating to cleaner regions of the country and start polluting there. The EPA requires industries to abide by especially tough pollution standards in areas without major pollution problems.

VI. Clean Air: Lead Standards

Lead can cause irreversible brain damage, kidney problems, anemia, mental retardation, seizures, and even death. Children are especially vulnerable, particularly those from poor families, who are more exposed to peeling paint and automobile pollution. (They are also likelier to suffer from poor nutrition, which aggravates the effects

by Robert A. Leone

The loopholes concerned the ability of companies whose only business was the "blending" of gasoline to purchase inexpensive low-grade fuel, mix it with large amounts of lead to boost the octane, and undersell the refineries by as much as five cents per gallon. If the EPA relaxed the rules on lead, these blenders would be able to continue to exploit this advantage in a marketplace in which, in the previous year, about 40 domestic petroleum refineries had closed.

A similar concern related to importers of gasoline, who were not subject to the same rules that faced domestic refiners. Thus, while the NPRA apparently supported a relaxation of the standards, the nature of their objections suggested that the existing rules were not only tolerable but perhaps even desirable in that they might help reduce the glut in overall refining supply and the competitive threat of imported gasoline.

Some of the larger producers, such as Mobil and Exxon, were actively against the relaxation, arguing that the advantage to their competitors was especially unfair given their own prior commitments of capital to comply with the standards.

With environmentalists and the medical community favoring tougher standards and many in industry opposing relaxation of the rules, the EPA withdrew its proposal. Instead, in what was seen as a dramatic change in policy, the EPA made it known on July 30, 1982, that it would actually tighten the limits on lead additives in gasoline.

At the outset of this policy deliberation, it had seemed logical for Anne Burford to propose the loosening of these requirements. After all, such an action presumably would be met with favor by the industrial interests that had supported the Reagan candidacy. But Burford apparently had failed to appreciate fully the effects of her proposed regulatory actions on competition. At the time of her proposal to reduce standards, the petroleum-refining industry was experiencing a glut in supply and attendant downward price pressures. A relaxation of standards would have expanded the already excess available supply of gasoline-refining capacity and added to these downward price pressures. In other words, standard relaxation would not only result in a dirtier environment but it could cost the regulated industry profits as well. Obviously, this was a politically unattractive combination, as Burford apparently soon discovered.

Two years after this policy reversal, the EPA once again tightened the standards for leaded gasoline.

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of lead poisoning.) Lead poisoning kills several hundred children each year and causes learning deficiencies in thousands more.

Because lead is a multi-source pollutant—it is transmitted through the air and in food, paint, and soil—the federal government's response has had to take several forms. With prodding by the FDA, food manufacturers voluntarily have reduced the amount of lead in metal containers or have switched to glass containers when possible. The FDA has put special emphasis on packaging foods for babies and young children in lead-free containers. As a result, there was an approximately 40 percent decrease in the amount of lead in canned foods from 1977 through 1982.

The fight against lead in paint has been a mixed success. On the one hand, the Lead-Based Paint Poisoning Prevention Act of 1971 has reduced the lead content of new paint products to .06 percent. (During the 1950s the lead content of house paint was as high as 60 percent.) On the other hand, 28 million buildings remain with walls covered by lead-based paint. The act directed a federal effort to reduce lead hazards in existing buildings, but this has been hampered by scientific uncertainties, limited funding, and the magnitude of the problem. Environmental Action reports that more than one half of the 61 cities that had lead testing programs in 1981 have had their funding reduced and 14 cities have eliminated their programs.

It is in the battle against airborne lead that regulators have been most successful. Airborne lead has been the easiest to control because 80 percent originates from one source—motor vehicle exhaust. For decades, auto emissions contained lead because gasoline refiners found it a cheap, simple way to boost the octane of low-grade fuels to prevent engine knocking. Lead probably would have remained the octane-booster of choice if Congress hadn't decided to clean up the nation's air. When it was discovered that only a few tankfuls of leaded gasoline could ruin the most promising emission-control device—the catalytic converter—it was clear that lead would have to be controlled. So, starting in 1975, when new cars were required to be equipped with catalytic converters, refiners were forced to invest in technology to produce high-octane gasoline without lead. By 1984 only 45 percent of the gasoline sold in the nation was leaded. Under current law, this figure is expected to drop to 18 percent by 1990, as pre-1975 cars are retired from use.

But the EPA wasn't interested just in protecting its catalytic converters; it also was concerned about reducing the amount of lead in the air. So in 1973 the agency initiated regulations requiring a progressive reduction in the lead content of "regular" (leaded) gasoline as well. By March 1985 the EPA had set the acceptable level of lead in regular gasoline at 0.1 gram per gallon—down from 2.2 grams per gallon prior to 1973. The agency has proposed regulations banning all lead in gasoline in 1988; the true test of its commitment to reducing lead content is whether it issues the final regulation. This would help prevent more than 1,000 strokes and 5,000 heart attacks among those who suffer from high blood pressure.

While lead exposure remains a serious health problem, the switch to unleaded gasoline and the reduction of lead content in regular gasoline have made the air safer to breathe, especially in urban areas. In a study conducted between 1976 and 1980, the Centers for Disease Control found a remarkable 36.7 percent decline in the overall mean blood-lead level in the U.S. population.

One other benefit: cars that run on unleaded gasoline can run three to five times longer without an oil change. A 1984 EPA study estimated that reduction of lead to 0.1 gram per gallon could save car owners as much as $660 million annually in auto maintenance costs.

VII. Clean Water: Technology Standards

By the late 1960s it had become apparent that existing environmental laws had not prevented rampant abuse of the nation's waters. The food, textile, paper, chemical, coal, oil, rubber, metals, machinery, and transportation industries were spewing out an estimated 25 trillion gallons of waste water each year. In one notorious case, the Reserve Mining Company of northern Minnesota was dumping an average of 67,000 tons of iron ore tailings into Lake Superior daily.

Galvanized by the glare of public attention and concern, Congress in 1972 approved amendments to the Federal Water Pollution Control Act that fundamentally changed the way the government regulates water pollution. Previously, states had set water quality standards for individual bodies of water. Although logical in theory, in practice that approach resulted only in protracted battles over the definition of standards and little progress. The 1972 amendments cut through this regulatory Gordian knot by establishing uniform, technology-based standards. The amendments authorized construction of sewage treatment plants and required industry to use the "best

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practicable technology" to control pollution and to apply to local environmental agencies for dumping permits.

Less than a decade later, dramatic improvements were visible throughout the country. Lake Erie, once considered dead, now attracts hundreds of thousands of fishermen each year. The Detroit River also had been considered a dead river after years of absorbing sewage, chemicals, oil, acid, garbage, and paper sludge. A quarter-inch film of oil covered much of the shoreline and large greaseballs frequently washed ashore. By 1975, the discharge of oil and grease into the river was reduced an estimated 82 percent from 1963 levels. In all, from 1972 to 1977 the regulations reduced industrial discharge of six major pollutants by 69 percent or more. The Clean Water Act reauthorization is now before a House-Senate conference committee; the Reagan administration has threatened to veto the bill unless it phases out the program to build sewage treatment facilities.

The success of a regulation requiring motorcyclists to wear helmets is, sadly, easy to measure. In the three years after Congress struck it from the books in 1976, deaths from motorcycle crashes jumped 48 percent.

VIII. Workplace Safety: Asbestos

Prior to the 1970 creation of the Occupational Safety and Health Administration (OSHA), government and industry contended that they held little responsibility for the 14,000 workers who were killed and the two million who were disabled in industrial accidents every year. OSHA changed that, issuing regulations under the belief that companies have a responsibility to remove unreasonable workplace hazards.

Among the most significant OSHA regulations are those limiting worker exposure to asbestos. Airborne asbestos fibers can cause cancer and asbestosis, a lung disease that resembles emphysema. Because asbestos was unregulated until 1972, an estimated 8,200 to 9,700 workers will die each year during the rest of this century from asbestos-related cancers.

In 1972, in response to overwhelming medical evidence and a petition from the AFL-CIO, OSHA limited asbestos dust levels in the workplace to two million fibers per cubic meter. A study issued in 1975 showed that the regulation was saving hundreds, and perhaps thousands, of lives each year. Unfortunately another study showed that a cancer risk continued at levels as low as 100,000 fibers per cubic meter.

The Reagan administration was uninterested in toughening the asbestos standards until the EPA scandals of 1983 focused attention on its environmental record. In 1984, one standard was proposed but then struck down in court. OSHA has since proposed a new, permanent standard of 200,000 fibers per cubic meter. If this limit goes into effect and is properly enforced, thousands of workers will be spared an unnecessary cancer risk. Even the weak asbestos standards in effect, however, probably will not be well enforced if the administration's past OSHA record is any indication. A 1984 study showed that OSHA's inspection record had improved since the early days of the administration, but there are still serious gaps. Follow-up inspections, for example, were down 87 percent from the Carter administration and penalties for serious health and safety violations had declined 33 percent.

IX. Workplace Safety: Vinyl Chloride

Vinyl chloride and a related resin, polyvinyl chloride, both found in plastics, can cause liver cancer. In 1972 about 10,000 workers were routinely exposed to vinyl chloride, while the emissions from the plants endangered those who lived within a five-mile radius. The general public was exposed to vinyl chloride through plastic bottles, plastic wrap, hair spray, insecticides, and disinfectants.

In 1972, again responding to a petition from the AFL-CIO (and one from the United Rubber Workers), OSHA reduced the permissible exposure level of vinyl chloride from 500 parts to one part per million. The affected companies protested that the regulation would cost them $90 billion and that thousands of workers would be thrown out of work. In fact, the changes required ended up costing only $300 million and no jobs

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were lost. And the technology developed to comply with the standard actually improved productivity. One study predicted that there would be 2,000 fewer cancer deaths in the last quarter of this century as a result of the regulation.

X. Safe Products: Hazards to Children

The most conscientious parent cannot detect every hazard in poorly designed playground equipment, cribs, and infant strollers. And even when parents are not as vigilant as they should be, their children shouldn't be the ones to suffer. That is why, contrary to the antiregulatory cries of the "pro-family" conservatives, few federal agencies can surpass the Consumer Product Safety Commission (CPSC) for serving and protecting children.

In the 1920s only one out of ten childhood deaths was due to accidental injury. By the 1970s the ratio had risen to one in three. While this increase in part reflects a decline in disease-related deaths, it also reflects the proliferation of new products over the past 60 years.

The CPSC requires that drugs, furniture polish, drain cleaners, paint solvents, and vitamins containing iron be sold in containers with child-resistant safety caps. In 1981 one doctor told a congressional committee, "A decade ago, before safety packaging was really efficiently introduced, 500 children under the age of five died annually. In 1977, 51 children died." According to the CPSC, aspirin deaths alone were down more than 83 percent seven years after the child-proof container regulations were adopted.

Other hazards to children that have been reduced by CPSC regulations:

- Crib rails were sometimes so low that babies could fall to the floor; in some cribs the spaces between spindles and slats were just large enough for a baby's head to slip through, creating the danger of strangulation; some cribs had ill-fitting mattresses, which could lead to suffocation. To prevent these dangers, CPSC regulations have saved an estimated 50 lives a year, cutting design-related crib deaths in half.
- Playpens have safer folding mechanisms and have been redesigned to reduce the chances of asphyxiation from webbing or padded vinyl top rails. These voluntary regulations are expected to eliminate some 1,190 serious injuries annually.
- Strollers are now more stable and have locking devices that are less likely to crush infants' hands. The voluntary standards will prevent approximately 8,000 injuries a year.
- Pacifiers used to be extremely hazardous. In 1978, after some infants choked to death, the CPSC issued standards for pacifiers and banned those that failed to meet them. More recently, the CPSC got manufacturers to reduce significantly or eliminate cancer-causing nitrosamines in pacifiers.

Despite the success of this tiny, $36 million commission, in 1981 the Reagan administration, arguing that the market would ensure product safety, unsuccessfully proposed abolishing it and has since moved to cut back its funding. Since Reagan came into office, the CPSC staff has been reduced by 41 percent. From 1981 to 1983 inspections dropped 45 percent, recalls decreased by two-thirds, and investigations of injuries declined 28 percent. The commission also has had to scale back efforts to make upholstery flame-retardant and kerosene heaters safer.

In addition to restoring the inspectors to the CPSC, Congress could take an inexpensive but effective step toward protecting children by requiring toy manufacturers to describe on box labels what hazards a product might pose to children. Currently, manufacturers must list recommended ages, but do not have to explain, for example, that young children may gag on pieces from a rattle.

Ethics Not Dollars

The Reagan administration has launched a full-scale attack on health and safety protections that save lives and prevent injuries. Often the administration's approach has been to revoke these regulations on the grounds that there are less costly solutions. The ascendency of the economic paradigm in assessing federal regulation tends to obliterate the memory of why regulations are needed in the first place. It seeks to substitute a specious economic test for a distinctly moral criterion for regulation—prevention of human and environmental harm.

While conservative critics of regulation might view this notion of regulation as quaint and uninformed, it is the underlying reason why public support for specific regulatory programs remains so strong. A 1982 Louis Harris survey found: "Anti-regulation opinion outnumbers opinion favoring more regulation by a ratio of two to one. However, this indicator of opinion at a general or abstract level does not translate into public disfavor with all concrete forms of regulation. Quite the contrary, consumers strongly support specific types of regulation. . . .Virtually no support is found for rolling back or dismantling consumer protection regulation." ■

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TIDBITS AND OUTRAGES

IF WE GIVE HIM THE CHAIR, DO WE ALL GET BANANA SPLITS?

A New York City jury in the trial of six political radicals was dubbed "the jury that ate Brooklyn" for requesting a variety of cuisines, including calzone, bagels and cream cheese, and pizza. On the third day, for example, the jurors wrote a note to the judge asking, "If we do not reach a verdict tonight, can we have Chinese or Italian food tomorrow?"

◆

BUSH EARLIER HAD CALLED MARIO CUOMO A CA-CA FACE

Vice President George Bush told *The Wall Street Journal* that if a Chinese official ten years ago had given an American as friendly a reception as the Chinese gave him during a recent trip, "he would have been in deep doo-doo."

◆

THE REAL REASON BEHIND THE STRONG DOLLAR

Columnist I.M. Boyd reports that toxicologists in Miami ran some random tests on paper money in the area and found that 10 out of 11 bills had traces of cocaine.

BEARING WITNESS AT POOLSIDE

Ben Sherwood, a Beverly Hills resident and a recent recipient of a Rhodes Scholarship, told the *Los Angeles Times* that after working at a refugee camp on the Thai-Cambodian border, his friends expected him "to come back from this experience and reject the country club and the house and the family and the servants and the Hollywood Bowl. I could have done that." But, he decided, "you don't have to reject Beverly Hills and Hillcrest Country Club to want to care about people elsewhere."

◆

OBJECTION, YOUR HONOR, DEFENSE COUNSEL IS TORTURING THE WITNESS

Deposed Haitian dictator Jean-Claude Duvalier said recently that he has no plans to return to power in Haiti. Instead, he said, "I want to resume the law studies I began."

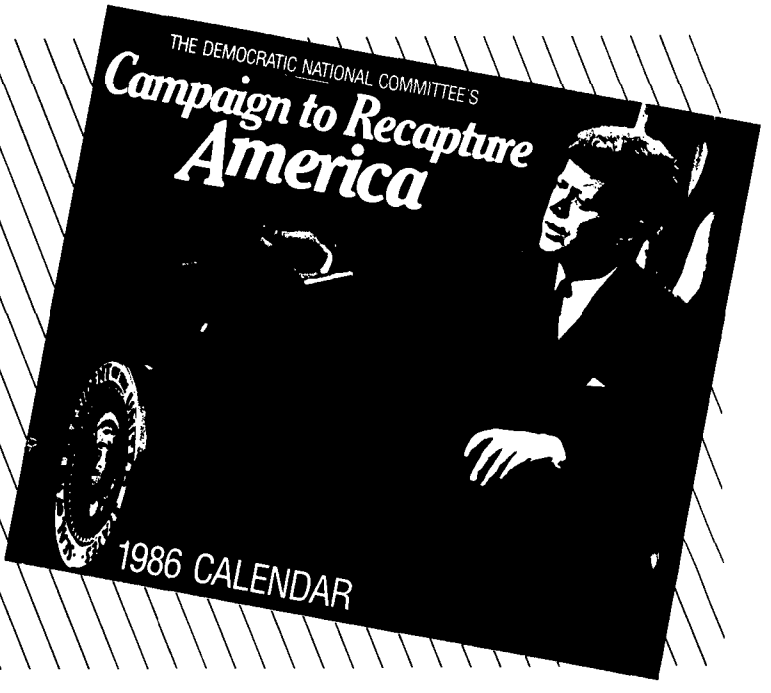
◆

BEN, 7 X 24 = 168

The Washington Post reported that TWA flight attendants are demanding to be paid for all 240 hours per week that they are away from home.

SO WE PASS THE TORCH TO A NEW GENERATION OF LEADERSHIP... OF LEADERSHIP... OF LEADERSHIP....

The Democratic National Committee's 1986 calendar, celebrating "a new generation of Democratic leaders," features a different picture of John F. Kennedy for every month.



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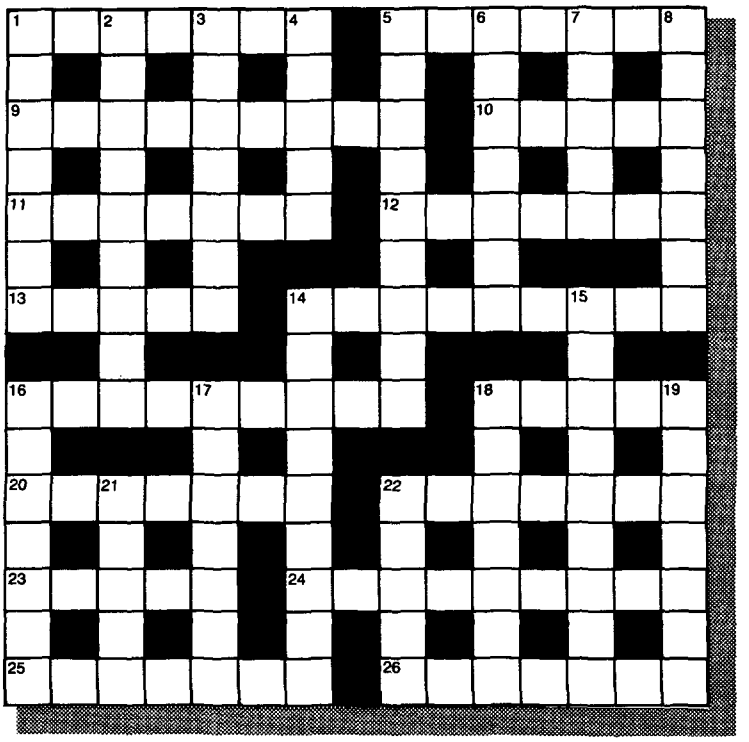
POLITICAL PUZZLE

by John Barclay

The numbers indicate the number of letters and words, e.g., (2, 3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word.



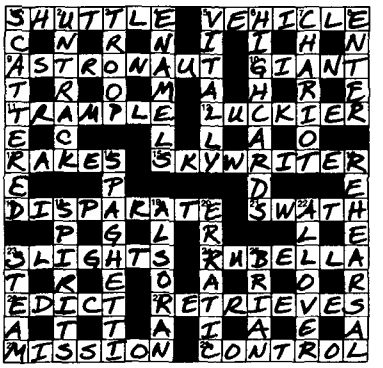
ACROSS

1. Home of Reagan foe displayed two articles about Guam mix-up. (7)
5. New leader ran zoo badly after March 4th. (7)
9. Profitable and poor reign includes drawback. (9)
10. Defect that doesn't exist commonly? (5)
11. Fleeing couple repel so awkwardly. (7)
12. Saint sat around in here. (7)
13. Foreign liquors have advantages? (5)
14. Those who lack will interstate are missing something. (9)
16. Bothered rotten little Democrat strangely. (9)
18. Gambling machines messed up test around zero. (5)
20. Kind of theater kind of on a pier. (4-3)
22. Mixed funny diets around means of transp. (7)
23. Medium-size drink around middle of April. (5)
24. Puts a tile carelessly to indicate agreement. (9)
25. Finds novel BF connector test. (7)
26. Stream the refs missed. (7)

DOWN

1. Sells a thousand confused takers. (7)
2. Worry keen disturbed sophisticate. (3, 6)
3. Cultivates dangers in a way. (7)
4. Damsel in distress? (5)
5. Thought about goat edict. (9)
6. Educational institution urges Teddy in the wrong way. (7)
7. In the mind of Count Sforza, Ireland is an African country. (5)
8. Fertilizer used to reduce utility charge we hear. (7)
14. Lobby groups rioting in streets. (9)
15. Consequences of college course? (9)
16. Massed to expel aliens about nothing coming up. (7)
17. Flexible little French company comes back about last. (7)
18. Homage paid to one butter mixture. (7)
19. Troubled set adds the worst. (7)
21. Esteemed poet managed to lie. (5)
22. Overly formal sulfur argument. (5)

Answers to last month's puzzle:



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POLITICAL BOOKNOTES

Home Front. Patti Davis with Maureen Strange Foster. *Crown, $15.95.* Last November in Geneva, while his father was locked in semi-mortal combat with Mikhail Gorbachev, I made the acquaintance of Ronald Prescott Reagan, age 27, who had been commissioned by *Playboy* to come along and write a story about the press corps. He is a good guy, intelligent, willing to listen and argue politics without being dogmatic or holier-than-thou, unpretentious despite the fact of who he is, but, most important to this review, a young man who clearly loves and admires his parents.

Now I read his sister's book in which she paints a grim and painful picture of growing up with mom and pop. Oh, sure, she cautions us that *Home Front*, a novel about a conservative California governor named Canfield who wins the presidency, his society-conscious wife, and their two children, Brian and Beth, is a work of fiction. But really, Patti, your feelings about your parents, Ronald and Nancy Reagan, come through loud and clear. You resent the fact that both of them put dad's career ahead of spending time with you. You find dad's "know-nothing" support for the Vietnam war and conservative causes frustrating. You find mom's silly sense of society and straight-laced decorum false. I'm sure there are a lot of people around who sympathize with you. But I'm not one of them.

I'm tired of children of hard-driving achievers trashing their parents because the old folks weren't content to punch a time clock all their lives in a small-town shoe factory in order to spend every evening and weekend with the kids. (Listen up, young Donaldsons.) Someone's got to run the country.

And then, there's your brother. If the Canfields of Sacramento and 1600 Pennsylvania Avenue were such awful parents, how come Beth's brother, Brian, known in real life as young Ron, loves them so? Why doesn't he see it the way his sister does? The answer, I guess, is that all children are different. Each has an individual need and sensitivity. I'm not going to sit in judgment here. But really, Patti, some of the intimate details of Beth Canfield's mixed-up life were embarrassing to read about. To disclose that she received her initiation into womanhood in the hayloft was not particularly shocking, I suppose. But to make a point of telling us that she was still sore the next morning was unnecessary.

—*Sam A. Donaldson*

Conflicts and Contradictions. Meron Benvenisti. *Villard Books, $15.95.* Few Israelis are more qualified than Meron Benvenisti to offer insights into where Israel has come from and what it has become and its tortuous relationship with the Palestinian Arabs. A Palestine native whose relatives have lived in Jerusalem since the sixteenth century, Benvenisti served for years as the very visible Jerusalem deputy mayor in charge of Arab affairs.

A burly man with a shock of electric grey hair, he is known for his brilliant mind and his knack for offending all sides with controversial analyses, like his argument (made as a man of the socialist left) that Israeli occupation of the West Bank and Gaza Strip has become irreversible for the foreseeable future. Benvenisti now runs an institute funded by American foundations and dedicated to gathering and studying data on the West Bank that has become possibly the best source of hardcore and detailed facts on the impact of occupation.

Given this background, *Conflicts and Contradictions* is far less gripping than one might have hoped, although still peppered with interesting theses and fascinating, though too infrequent, anecdotes. The problem, as hinted at by the opaque and tractlike title, is that the author never quite decides whether his book is a memoir or a piece of

Winner of the Frederick Jackson Turner Award of the Organization of American Historians and the Beveridge Prize of the American Historical Association

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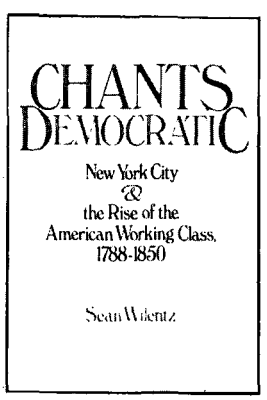

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political analysis explaining Israel's tortured relationship with the Palestinians. In the process it never quite fulfills the promise of either option.

Yet as food for further controversial thoughts, the book is well worth reading, reflecting the malaise felt at midlife by many members of Mr. Benvenisti's "lost generation," the children of the founding fathers. Raised on a diet of utopian socialism, they believed that they were the elite born to build a new form of humanitarian society. But they have discovered painfully that the third generation of Israelis, many of them children of post-independence emigrants from Arab countries, neither understand their values nor find them relevant.

Benvenisti describes the passionate search for rootedness in Palestine, undertaken by the secular socialist generation of his parents, summed up by the near worship of "moledet" or homeland. It was expressed in his generation by a passion to till the soil and to possess it through archeology, nature conservations, and emphasis on exploring the outdoors with the Bible as a guidebook.

But this secular passion for the homeland provided no adequate guidelines in 1967, when a whole new area of biblical Palestine came under Israeli control. The old ideology that revered "moledet" but saw it as the ground where a just society would be created was taken over by a new generation whose vision was to settle Greater Israel. And this generation's pioneers, who dress like and profess the idealism of the socialist pioneers 40 years earlier, are driven not by secular humanism, but by a religious conviction that settling greater Israel is a preordained milestone on the route to messianic redemption.

Benvenisti's passion and his pain in relating these changes and others wrought by occupation come most alive in the all too few instances when he lets the reader share his personal experiences. The most moving is the story of his Arab neighbor, coworker, and close personal friend, Mohammed, who was arrested on "preposterous" charges of contact with the Palestine Liberation Organization. The arrest apparently was meant as a warning to Mohammed, who managed a neighborhood sports club, to stay out of communal activities that could be infiltrated by the PLO. Its effect—besides breaking Mohammed psychologically and losing him his job—was to rub into Benvenisti's soul the bitter truth that under occupation, even in the case of friends, the occupier holds the power and the occupied are at the mercy of alien forces.

It's unfortunate that Mohammed, labeled "the elusive hero" of Benvenisti's narrative, gets only four pages. Such a story graphically illustrates the heart of Benvenisti's political analysis, that occupation threatens to turn Israel into a "herrenvolk democracy" where the minority (Arabs) is disenfranchised and deprived of basic civil rights.

Benvenisti has often been castigated by Israeli and American Jewish liberals, as well as by Palestinians, for his thesis that the clock has struck midnight and occupation is practically irreversible. He makes a convincing case in his final chapter, although the argument is complex and the novice reader might easily get lost.

His basic point is that there are three realities of the mid-eighties: the bulk of the Israeli Jewish populace (aided by past Arab intransigence) now perceives Israeli control of the whole of Mandate Palestine as a given. Those Palestinians who seek a two-state compromise are neither strong nor united enough to change this in the foreseeable future. And, given the collapse of OPEC and oil prices, no deus ex machina, like the United States, will rescue Israeli liberals or Palestinian moderates from this impasse.

Thus, says Benvenisti, the choice for Israel now is whether to have a democratic or a semi-democratic state within all Mandate Palestine. The Likud party, a member of the coalition, is comfortable with the vision of "herrenvolk democracy." To opt for real democracy raises the nerve-wracking prospect of a binational state, a concept that has a record of failure elsewhere, and which neither Palestinians nor liberal Israelis want. The pain that filters through the most jargony of Benvenisti's pages reflects the fear of having to sit by helplessly while the Israel his generation fought to build fades before his eyes.

—Trudy Rubin

Chicago Divided: The Making of a Black Mayor. Paul Kleppner. *Northern Illinois University Press, $26.00.* In 1955, Richard Daley, just elected mayor, reneged on his promise to resign as head of the Cook County Democratic Party. While earlier mayors had to appease neighborhood committeemen (who ran their wards like fiefdoms and cared little about citywide problems), Daley sought and gained control of all the levers of political and governmental power—candidate selection, endorsements, patronage, and the like.

Chicago blacks were a part of the machine until the mid-1960s. They didn't have much choice: black citizens needed the machine for public employment, and black candidates relied on the machine for their political survival.

This uneasy alliance ended in the 1960s when race was pushed to the top of the political agenda—and blacks saw an indifferent Daley turn hostile. Kleppner gives it scant attention, but surely a signal event came in 1966 during Martin Luther King's Poor People's Campaign. With the major civil rights legislation behind him, King settled in the Chicago tenements to draw attention to that city's slum conditions. When he tested Illinois's open-housing laws, whites greeted him with rocks and fists. For many Chicago blacks this was proof that they had it as bad as their Mississippi brethren. Two years later the mayor, confronted by rioting on the night of King's death, issued "shoot-to-kill" orders to Chicago police.

Black political fortunes began to rise in 1975 when Daley's death set off a feud within the machine. By the 1983 election, the rift among machine politicians had widened so much that half of the party backed Jane Byrne and the rest sided with prodigal son Illinois Attorney

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General Richard Daley Jr. This split plus a mobilized black electorate allowed Harold Washington to win the mayoral nomination.

It is hard to forget Harold Washington's campaign. Everywhere he went, Washington drew throngs of placard-waving youths shouting "Nigger Go Home!" Leaflets trailed him; one asked Chicagoans whether they wanted to see Richard Pryor appointed fire commissioner. Another depicted a newly elected Washington putting basketball hoops on the Picasso in Daley Plaza.

When it comes to explaining why whites were so hostile, Kleppner shrugs and surmises that Chicago middle-class whites are really Klansmen in disguise. But Washington was a threatening candidate for reasons besides race. True, there were many who voted against Washington simply because he was black, but after eight years of Byrne and Michael Bilandic, what many Chicagoans wanted was stability, a return to the efficient municipal services they had known under Daley. Vowing to crush the machine, Washington promised Chicagoans no such security.

Nothing justifies the venom that seethed from white Chicago. But it seems possible that a different black candidate, one who simply campaigned for better services and who promised to cut blacks in rather than cut the system out, would have garnered a larger share of the white vote and soothed racial tensions.

The sad truth is that when it comes to voting for blacks, white voters often need coddling—the kind that Washington, who at times intimated that violence might follow his electoral defeat, refused to provide.

—*Matthew Cooper*

The Handmaid's Tale. Margaret Atwood. *Houghton Mifflin, $16.95.* Are gains in women's rights cumulative or cyclical? Much as one wants to believe in a slow, steady, dependable progression, the evidence makes it hard to be too confident. Women, after all, were doing pretty well with the vote, visibility, and a measure of "liberation" well into the Roaring Twenties, only to see that status crumble along with the economic fortunes of the country. They achieved what seemed like solid respect and independence along with men's jobs during World War II, only to disappear once the war was over into the long eclipse of fifties domesticity. The current bonanza (in relative terms) of equity seems fairly solid too, but for those who expect it to exhibit real staying power, here is Margaret Atwood's sixth and most politically sharp-edged novel to remind us that it could all vanish tomorrow.

Feminism has been the main philosophical influence on a raft of novelists in the last generation or so. As happens with any political movement, many of the novels produced have been position papers. Atwood, by contrast, is a mature artist, and *The Handmaid's Tale*, though more politically explicit than most of her previous work, is by no means doctrinaire. ("I have never written a trapped housewife novel," she told an interviewer in 1983.) In its picture of a Bible-based, viciously anti-feminist dictatorship in this country circa 1990, *The Handmaid's Tale* does explore the eventual implications of current attitudes among religious fundamentalists, certain feminists, and well-meaning but essentially uncaring males. Its main thrust, though, is less philosophical and in the end more grippingly persuasive—to explore not just *why* women in the Republic of Gilead are so utterly oppressed but, vividly and rendingly, how that oppression feels.

Atwood's effectiveness in this regard, her delicacy of imagination and grimness of detail, shows the influence of her many years of involvement in Amnesty International and human rights issues. The main emotion we get from Offred, the disconsolate narrator, is numb shock. Offred still lives in the same town, passes the same buildings and crosses the same streets, as she did before "they shot the president and machine-gunned the Congress and the army declared a state of emergency. . . .They said it would

CHEMICAL WARFARE

Edward M. Spiers

Spiers contends that the international community must make a major policy shift if it truly wants to curb the proliferation and use of chemical weapons. He argues that the United States should modernize its chemical warfare stockpile, that NATO should review its chemical warfare deterrence policies, and that the Western allies should use these initiatives for leverage at the Geneva disarmament talks. "An exceptional and valuable study. Spiers' book will be a standard reference work on the subject for many years." — Stephen P. Cohen, Department of State. $24.95.

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be temporary." Now, though, fundamentalists are permanently in charge, and women have been sorted by function: the few who still have viable ovaries after the ravages of nuclear and toxic waste are Handmaids, assigned to service Commanders; Marthas cook and clean; Wives oversee households. Only men may read, move about freely or own money or property. Women wear blinkers and floor-length, color-coded habits.

Not much actually happens to Offred in this brave new world, whose sociopolitical details, truth be told, are rather perfunctorily sketched. Plots and details aren't the point. The point is that this diagram of a world run literally according to the precepts of Genesis can illuminate some submerged truths about sexism and power politics in even the most riotously free society. In Gilead it is easy to see the sometimes overlooked relationships between political and sexual power; between cultural determinism (including the idea of a special "women's culture" free of masculine mores, embraced by some feminists today) and dehumanization; between loss of individual identity and loss of will. The most chilling oppressors in the story are not the male guards or the male Eyes, who spy for the central government, but the high-ranking Wives, who regulate the Handmaids' motions, and the training Aunts, who mutilate their hands and feet if they misbehave. The Commander Offred serves, a major architect of the system that torments her, wonders naively "what you think of all this. . .what we've done." Creepiest of all is the narrator's seemingly unconscious acceptance of some of the new rules. Women have been legally deprived of their own names, for instance, with "Offred" meaning simply that the narrator is "of Fred," her Commander. The narrator bemoans this but, in her reminiscences of her vanished family, refers by name only to Luke, her husband; the others are "my daughter" and "my mother."

Watch out, Atwood is saying. Watch out for more than just machine guns or spies or religious fundamentalists. Watch out for our own natures, which we think are humane and progressive. We are much better than we think at dehumanizing and destroying one another.

—*Amy E. Schwartz*

THE WASHINGTON MONTHLY

16th Annual Political Book Award

The political book award for 1985 goes to *Common Ground* by J. Anthony Lukas. In a review we ran last September, Nicholas Lemann wrote:

"Over the years, this magazine has been saying that book-length nonfiction that combines the rich humanity of novels with journalism's reportorial and moral zeal can be the very best way to illuminate public affairs. Now, at last, there's another such book: *Common Ground*. . . . It is a very long, dense, richly detailed account of the first two years of busing in Boston in the mid-seventies, told by interweaving the public events with the stories of three families, one poor black, one poor white, and one upper-middle-class white liberal. What makes it such a great achievement isn't Lukas's writing, which is serviceable, or his thinking, but the combination of other qualities: thorough reporting and humanity."

RUNNERS-UP

Star Warriors. William J. Broad. *Simon & Schuster.*

A Mother's Work. Deborah Fallows. *Houghton Mifflin.*

Nation Against Nation: What Happened to the U.N. Dream and What the U.S. Can Do About It. Thomas M. Franck. *Oxford.*

Ralph Ingersoll: A Biography. Roy Hoopes. *Atheneum.*

The Jail: Managing the Underclass in American Society. John Irwin. *University of California.*

The Life Insurance Game. Ronald Kessler. *Holt, Rinehart & Winston.*

The Power Makers: The Inside Story of America's Biggest Business and Its Struggle to Control Tomorrow's Electricity. Richard Munson. *Rodale Press.*

The Schools We Deserve: Reflections on the Educational Crises of Our Times. Diane Ravitch. *Basic Books.*

The Zero-Sum Solution. Lester C. Thurow. *Simon & Schuster.*

Secrecy and Democracy. Stansfield Turner. *Houghton Mifflin.*

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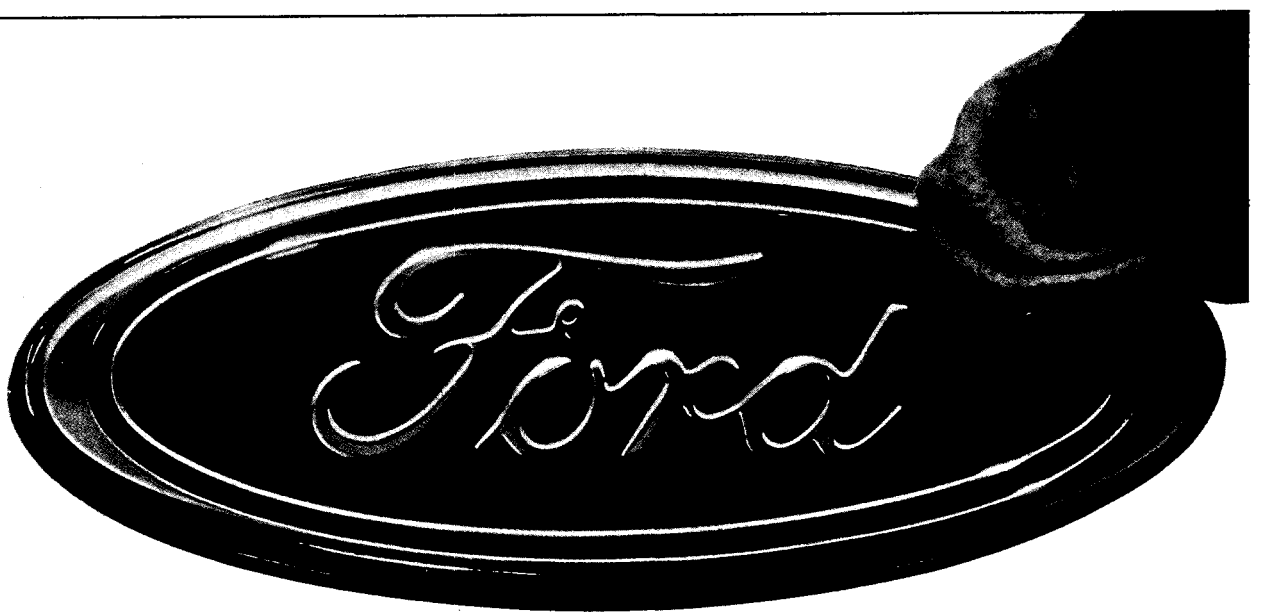

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